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The Corporation of the
CITY OF HAMILTON
HAMILTON, ONTARIO

URBAN/MUNICIPAL



FINANCIAL REPORT

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GOVERNMENT DOCUMENTS

for the year ended December 31,

1985



The Corporation of the
CITY OF HAMILTON
HAMILTON, ONTARIO

FINANCIAL REPORT

for the year ended December 31,

1985

THE CORPORATION OF THE CITY OF HAMILTON

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INTRODUCTORY

THE CORPORATION OF THE CITY OF HAMILTON

THE CORPORATION OF THE CITY OF HAMILTON

PROVINCE OF ONTARIO

CITY COUNCIL 1985

MAYOR

Robert M. Morrow

ALDERMEN

Ward 1: T. Cooke
M. Kiss

Ward 5: S. Collins
R. Wheeler

Ward 2: V. J. Agro
W. M. McCulloch

Ward 6: J. Smith
P. Cowell

Ward 3: P. Valeriano
B. Hinkley

Ward 7: J. Gallagher
H. Merling

Ward 4: G. Copps
D. Christopherson

Ward 8: T. Murray
D. Ross

OFFICERS OF THE TREASURY

E. C. Matthews, B.A., C.A.
Treasurer

FINANCE DIVISIONS

I.R.Hammel
Manager of Budgets

N.R.Adhya, B.Comm., C.M.A.
Manager of Accounting

T.W.Daw, C.M.A.
Manager of Revenues

OTHER DIVISIONS

J. G. Hindson, P.Eng.
Director of Systems

T. Bradley, P.M.M.
Director of Purchasing

G. DiBacco
Supervisor of City Garage

AUDITORS

Spicer MacGillivray
Chartered Accountants

BANKER

Canadian Imperial Bank
of Commerce

THE CORPORATION OF THE CITY OF HAMILTON

DEPARTMENTS

Chief Administrative Officer
L. Sage, H.B.A

Architect
D. C. Freeman, B. Arch., M.R.A.I.C.

Human Resources Centre
L. R. Fleming, B.A.

Building
P. Kuppe, B.A.Sc., P. Eng.

Public Works
J. G. Pavelka, P.Eng.

Clerk
E. A. Simpson

Real Estate
D. W. Vyce, A.A.C.I.

Community Development
E. W. Kowalski

Solicitor
K. A. Rouff, B.A.

Culture and Recreation
Miss A. Schimmel

Traffic
M. F. Main, P.Eng.,

Fire
L. G. Saltmarsh

Treasury
E. C. Matthews, B.A., C.A.

LOCAL BOARDS

Hamilton Public Library
J. McAnanama, B.A., B.L.S., M.B.A.

Parking Authority for the City of Hamilton
W. G. Cottrell

Hamilton Entertainment and Convention Facilities Inc.
B. K. Conacher, B.A.

Hamilton Place Convention Centre
W. J. Penfold

Hamilton Performing
Arts. Corp. Inc.
T. B. Burrows

Victor K. Copps
Trade Centre/Arena
J. T. Crane

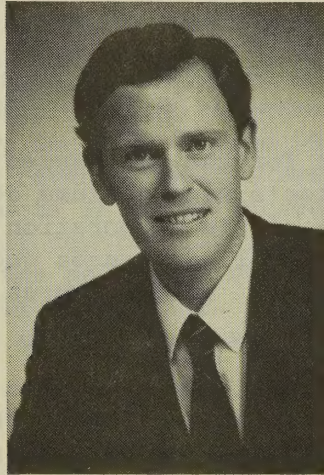
EDUCATION

The Board of Education
for the City of Hamilton
A. J. Krever, B.A., M.Ed.

The Hamilton-Wentworth Roman Catholic
Separate School Board
P. J. Brennan, B.A., M.Ed.

THE CORPORATION OF THE CITY OF HAMILTON

MESSAGE FROM THE MAYOR



ROBERT M. MORROW

The 1985 Financial Report for the City of Hamilton has been recently approved by City Council, and I would like to take this opportunity to highlight some of the financial aspects of this Report, for your information.

The unqualified Auditors' Report certifies that the financial statements present fairly the financial position of the City of Hamilton. I can also state that it is obvious to even a casual reader of these statements that the financial condition of the City is very sound.

I am pleased to report that as a result of careful planning and the efficient use of our financial resources, services have been provided while remaining within budget allocations.

The following statements offer certain financial information for the City, and if you require a more detailed analysis, please do not hesitate to contact our Treasury Department.

THE CORPORATION OF THE CITY OF HAMILTON

REPORT OF THE TREASURER

INTRODUCTION

It is my pleasure to submit for the year ended December 31, 1985 the report of the Treasurer, the Auditor's Report, some general information and the annual financial statements of The Corporation of the City of Hamilton. For the purposes of clarity, all dollar figures quoted in this report are rounded to the nearest million dollars. Exact figures can be referenced from the attached information.

The City of Hamilton was established by an Act of Incorporation passed by the Legislature of Upper Canada in June of 1846. Hamilton's population by that date had reached 6,832. In 1985, the City of Hamilton had an actual population of 307,690. In addition, the City had a 1985 taxable assessment base of 896.9 million dollars, an increase of 8.3 million dollars or 0.9% over the 1984 figure of 888.6 million dollars, of which 43.7% was derived from commercial, industrial and business sources, with the balance of 56.3% derived from residential sources.

Prior to the introduction of the Board of Control in 1909, a seven man Standing Committee made up of Aldermen administered the various committees. The Board of Control was abolished in 1980 and the present City Council is comprised of the Mayor and sixteen Aldermen, two from each of the eight wards.

The City of Hamilton, which is the largest of the six area municipalities comprising the Regional Municipality of Hamilton-Wentworth, is responsible for services related to fire protection, traffic control, building inspection and permits, public works, recreation and community services, Lloyd D. Jackson Square co-ordination and real estate, along with various administrative functions. In addition, the Public Library, Hamilton Place, the Hamilton Place Convention Centre, Victor K. Copps Trade Centre/Arena and the Parking Authority, each represented by Local Boards, form part of the general responsibilities of the City as well.

On December 18, 1985, the Hamilton Performing Arts Corporation Inc. (Hamilton Place), and Hamilton Place Convention Centre, Inc. were dissolved. The assets and liabilities were transferred to the Hamilton Entertainment and Convention Facilities Inc. which now operates Hamilton Place, the Hamilton Convention Center, Copps Coliseum and the Central Utilities Plant.

Budgetary and Fiscal Policy

The Corporation continued to operate within the guidelines of the Current and Capital Budgets approved by Council. Municipal Fund Balance to be used to offset taxation or user charges at the end of the year amounted to 2.9 million dollars. This balance for the current year is accountable mainly from an increase in revenues, principally in the area of earning interest on short term funds.

THE CORPORATION OF THE CITY OF HAMILTON

REPORT OF THE TREASURER - (Continued)

Capital works of the Corporation were carried out in accordance with a five year Capital Budget program approved by the Ontario Municipal Board and within the limits set by City Council. Since 1959, Council has followed the practice of including in the revenue fund an estimate for capital levy as a down payment on capital projects in order to reduce the City's reliance on debt financing. This six mill capital levy, in the total amount of 5.4 million dollars, along with the policy of utilization of reserve funds for capital works, is particularly beneficial. You will note that the unexpended capital financing balance at the year end shows a sizeable balance of 6.8 million dollars.

Financial Position

The Consolidated Balance Sheet of the Corporation, as at December 31, 1985, continues to present a sound financial position. Compared with 1984, the net long-term liabilities increased by 9.7 million, from 46.6 to 56.3 million dollars to complete financing of some capital projects.

It is to be noted that the current assets of the Corporation are 70.5 million dollars and the current liabilities amount to 14.6 million dollars producing a favourable working capital ratio of approximately five to one.

Reserves and Reserve Funds

The balance available from Reserves at the end of the year for future municipal purposes was 46.2 million dollars. The revenue was attributable to contributions from the revenue fund and the capital fund, and interest earned.

Trust Funds

The balance available at the end of the year for various trust funds was 6.0 million dollars compared to 2.9 million in 1984. It should be noted that effective January 1, 1985, amendments to regulation require that the Ontario Home Renewal Program funds be accounted for as a trust fund and no longer as a reserve fund. The 1985 transactions with an opening balance of 2.9 million dollars for this program are reflected in the financial statements of the trust funds of the Municipality.

THE CORPORATION OF THE CITY OF HAMILTON

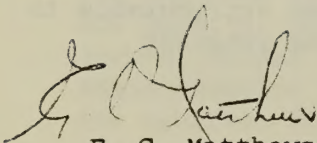
REPORT OF THE TREASURER - (Continued)

Conclusions

The financial statements reflect prudent financial policies on the part of City Council while recognizing the requirements of a progressive community. In addition, the financial statements are a report on the stewardship of the administration and are in conformance with the requirements of the Ministry of Municipal Affairs and Housing who received more detailed statements earlier. The Auditor's Report attests that these financial statements present fairly the financial position and results of the operation of the City.

The following pages offer salient financial and statistical information about the City of Hamilton which should be of assistance to the external users of this report.

I would like to express my appreciation to all participants in the financial administration process for their assistance and cooperation.

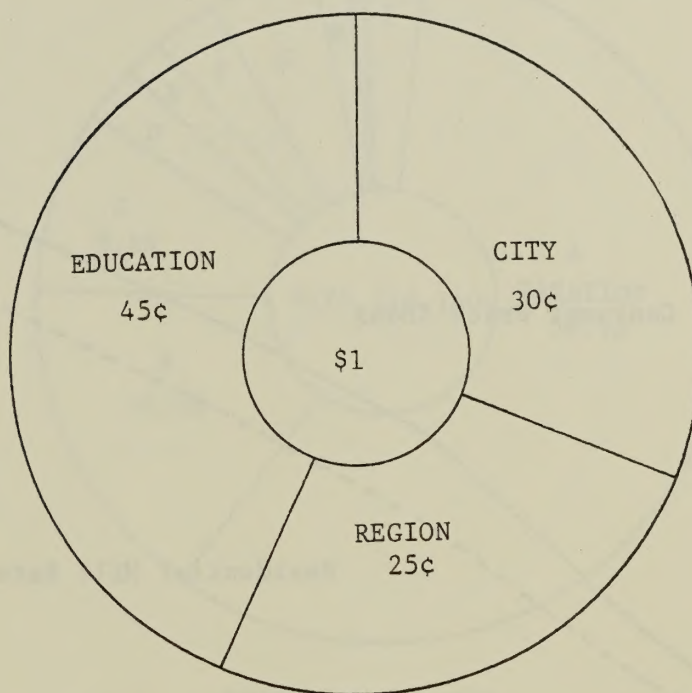


E. C. Matthews
Treasurer, B.A., C.A.

1986 April 15

THE CORPORATION OF THE CITY OF HAMILTON

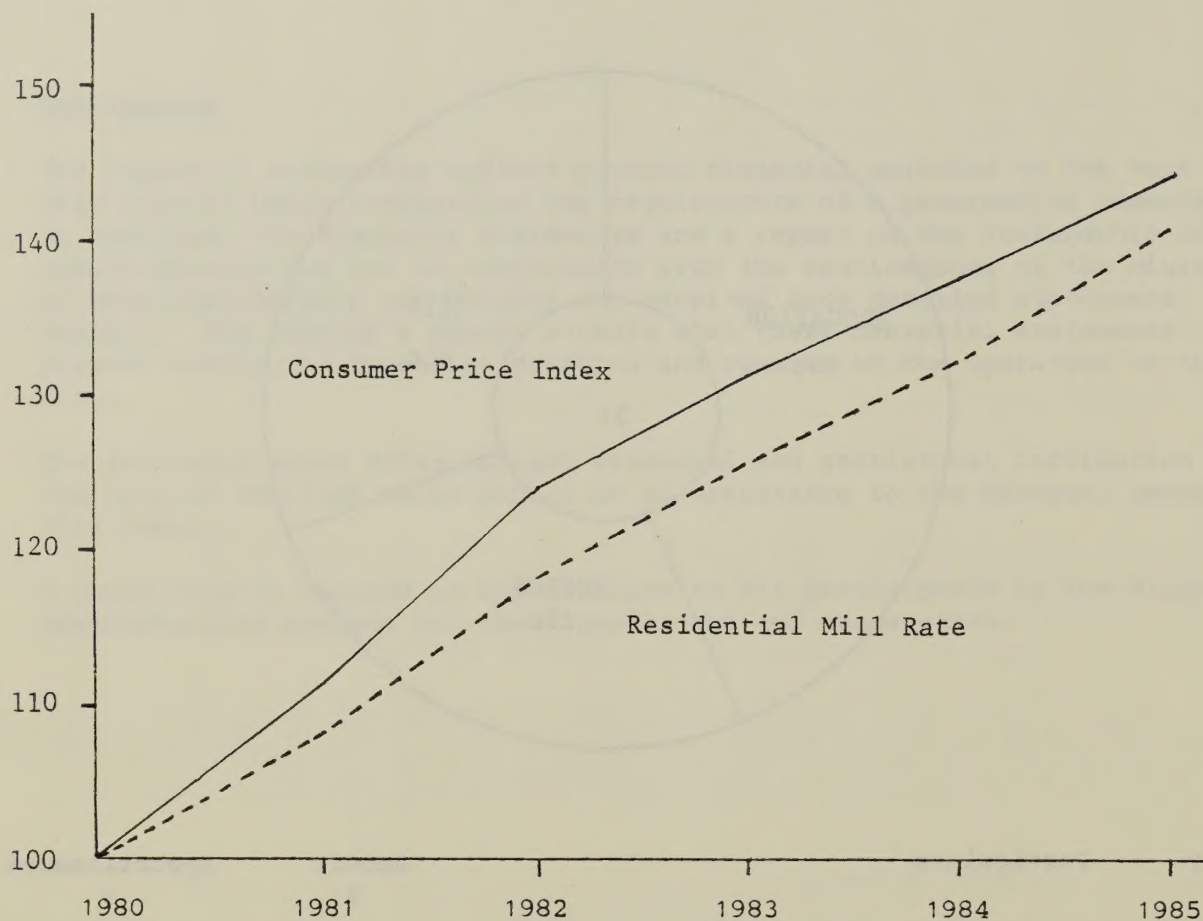
1985 TAX DOLLAR APPORTIONMENT



Key	Particulars	Amount \$	Apportionment \$
A	City levy Collectible from taxpayers	70,908,659	.30
B	Regional levy Collectible from taxpayers	57,587,707	.25
C	Educational levy Collectible from taxpayers	<u>106,918,616</u>	<u>.45</u>
	TOTAL TAX LEVY	<u>235,414,982</u>	<u>1.00</u>

THE CORPORATION OF THE CITY OF HAMILTON

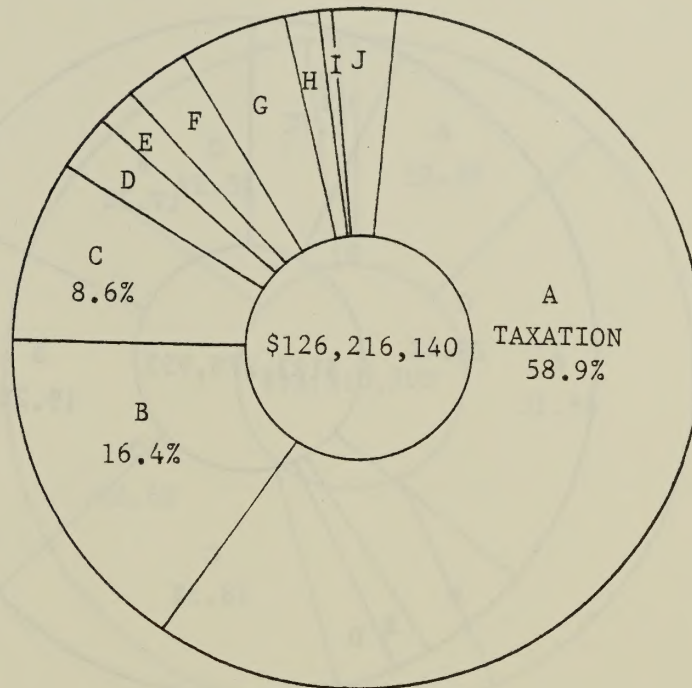
COMPARISON OF RESIDENTIAL MILL RATES WITH CONSUMER PRICE INDEX



Year	Residential Mill Rate	Residential Mill Rate Expressed in Percentage	Consumer Price Index
1980	171.8638	100.0	100.0
1981	187.3379	109.0	112.7
1982	205.4674	119.5	124.9
1983	217.5770	126.6	132.1
1984	229.0207	133.3	137.9
1985	243.6926	141.8	143.0

THE CORPORATION OF THE CITY OF HAMILTON

1985 CITY OPERATING REVENUE

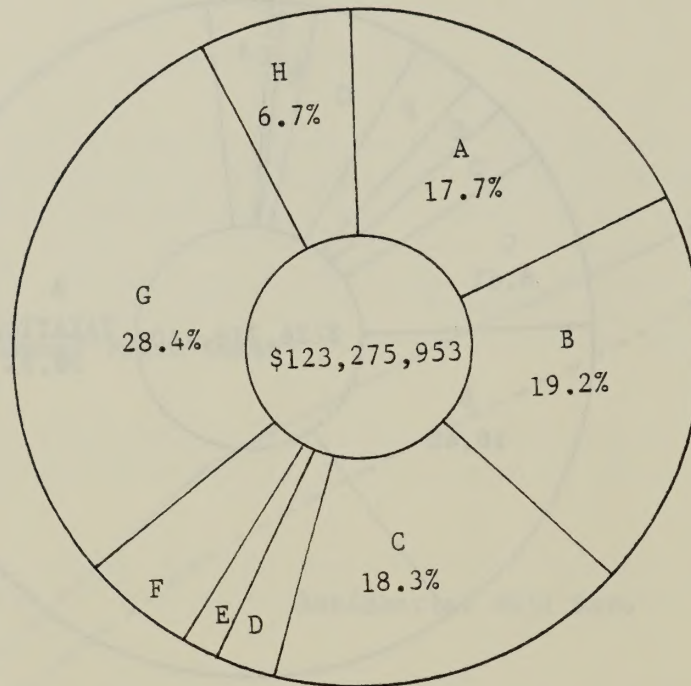


SOURCE OF REVENUE

Key	Particulars	Amount \$	Percentage of Total
A	Taxation		
	Levy collectible from taxpayers	70,908,659	56.2
	Supplementary taxes	1,186,118	.9
	Special charges	709,639	.6
	Telephone and telegraph taxation	1,550,631	1.2
		74,355,047	58.9
B	Payment in lieu of taxes, grants & subsidies	20,680,937	16.4
C	Fees and service charges	10,791,356	8.6
D	Licenses and permits	3,409,009	2.7
E	Fines	1,814,116	1.4
F	Penalties and interest on taxes	2,497,077	2.0
G	Income from investments	7,495,654	6.0
H	Contribution from reserves	1,282,552	1.0
I	Other	683,671	.5
J	Surplus from prior year	3,206,721	2.5
		126,216,140	100.0
		=====	=====

THE CORPORATION OF THE CITY OF HAMILTON

1985 CITY OPERATING EXPENDITURE

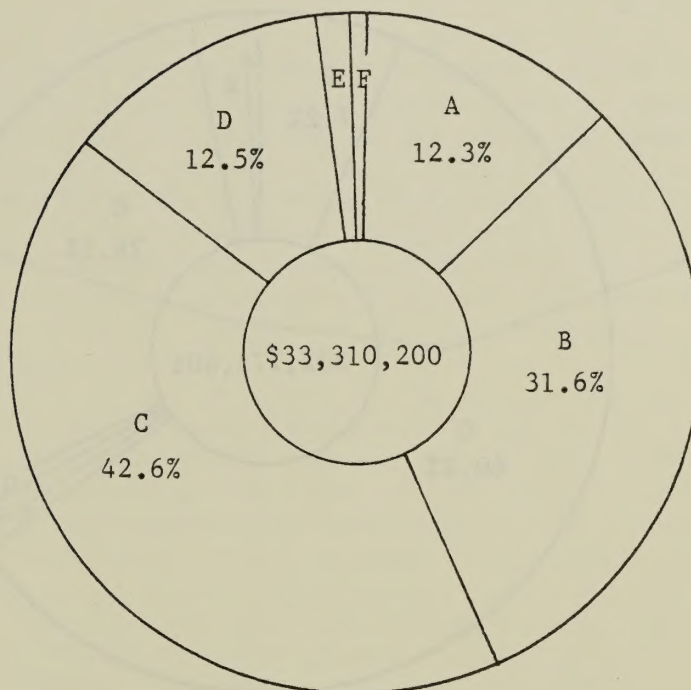


PURPOSE FOR WHICH EXPENDED

Key		Amount \$	Percentage of Total
A	General government	21,755,810	17.7
B	Protection to persons & property	23,699,254	19.2
C	Transportation services	22,576,182	18.3
D	Environmental services	4,519,652	3.7
E	Health services	2,107,658	1.7
F	Social and family services	5,355,284	4.3
G	Recreation and cultural services	35,000,843	28.4
H	Planning and development	<u>8,261,270</u>	<u>6.7</u>
		<u>123,275,953</u>	<u>100.0</u>

THE CORPORATION OF THE CITY OF HAMILTON

1985 CITY CAPITAL FINANCING

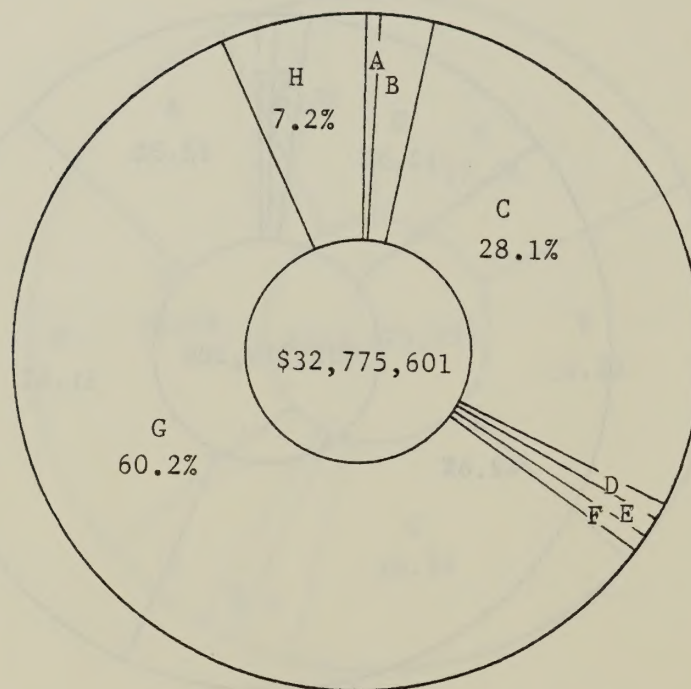


SOURCE OF REVENUE

Key	Particulars	Amount \$	Percentage of Total
A	Contribution from the Revenue Fund	4,106,673	12.3
B	Contribution from Reserves and Reserves Funds	10,553,543	31.6
C	Long-term liabilities incurred	14,192,000	42.6
D	Ontario grants	4,150,250	12.5
E	Canada grants	184,057	0.6
F	Other	123,677	0.4
		<u>33,310,200</u>	<u>100.0</u>

THE CORPORATION OF THE CITY OF HAMILTON

1985 CITY CAPITAL EXPENDITURE

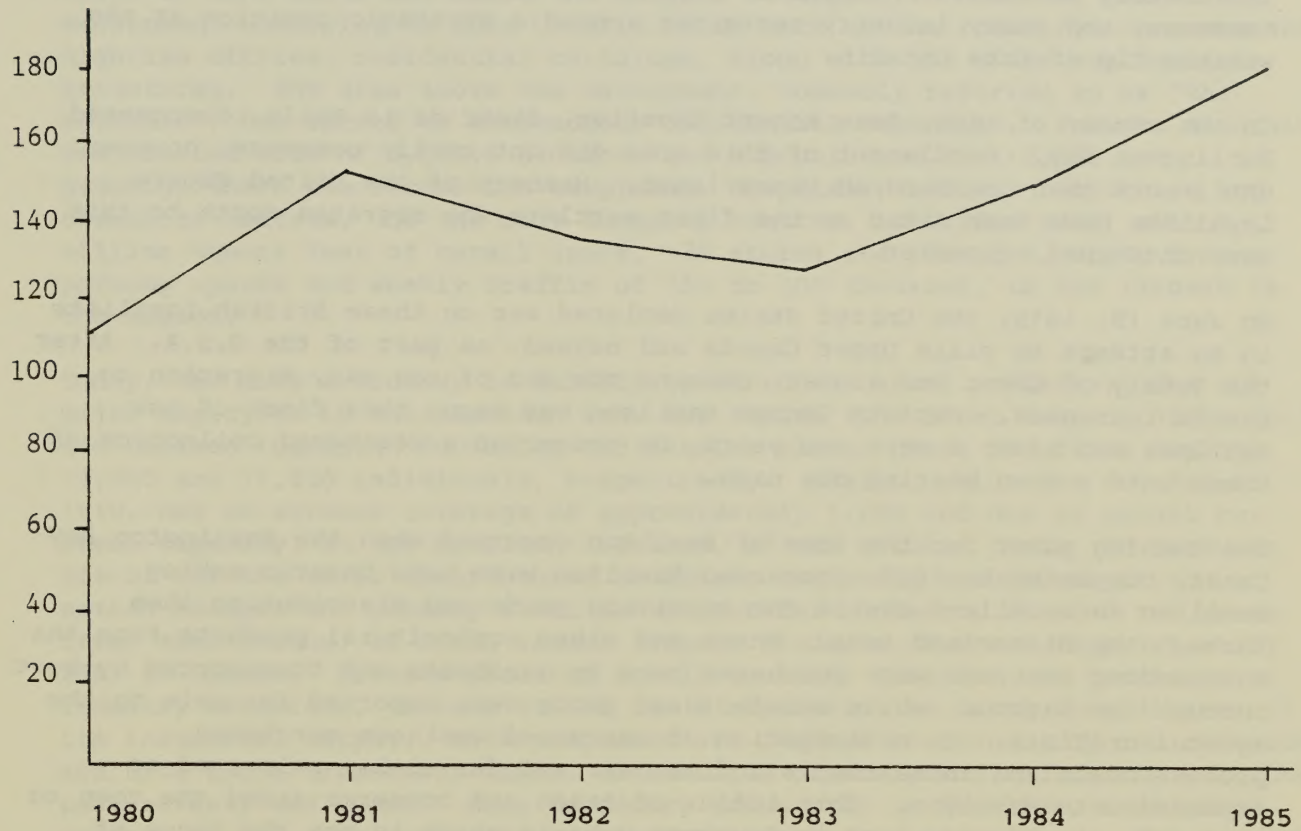


PURPOSE FOR WHICH EXPENDED

Key	Particulars	Amount \$	Percentage of Total
A	General government	131,491	.4
B	Protection to persons & property	744,946	2.3
C	Transportation services	9,209,224	28.1
D	Environmental services	104,755	.3
E	Health Services	294,698	.9
F	Social and Family Services	193,974	.6
G	Recreation and cultural services	19,717,416	60.2
H	Planning and development	2,379,097	7.2
		32,775,601	100.0
		=====	=====

THE CORPORATION OF THE CITY OF HAMILTON

PER CAPITA OUTSTANDING DEBT



Year	Net Long Term Debt (General Municipal Activities) (000's)	Debt Per Capita
	\$	\$
1980	33,951	111
1981	45,314	149
1982	42,159	137
1983	39,184	127
1984	45,874	149
1985	55,628	181

THE CORPORATION OF THE CITY OF HAMILTON

GENERAL INFORMATION

History of Hamilton

The history of Hamilton is one of Loyalist settlers engaged in agriculture, commerce, and heavy industry centering around a strategic position at the western tip of Lake Ontario.

In the summer of 1669, Rene Robert Cavelier, Sieur de La Salle, discovered Burlington Bay. Settlement of this area did not really commence, however, until more than one hundred years later. Members of the United Empire Loyalists have been cited as the first settlers who migrated north to this new, untouched, frontier.

On June 18, 1812, the United States declared war on these British Loyalists in an attempt to claim Upper Canada and beyond, as part of the U.S.A. After the Treaty of Ghent was signed, marking the end of the war, migration to Canada increased. Captain George Hamilton was among this flock of new settlers and after a mere two years, he converted a scattered collection of homes into a town bearing his name.

The turning point for the Town of Hamilton occurred when the Burlington Bay Canal, completed in 1825, connected Hamilton with Lake Ontario making Hamilton an excellent centre for receiving goods and distributing them through the hinterland area. Wheat and other agricultural products from the surrounding environs were purchased here by merchants and transported by boat through the harbour, while manufactured goods were imported for sale to the agriculturalists. In anticipation of increased business merchants, professionals and industrialists from near and far either relocated or expanded into Hamilton. This influx of trade and commerce aided the town to establish itself as a port in Southern Ontario which is now the focus of Hamilton's economy.

Settlement continued rapidly into the 19th Century with the acceleration of wheat exports and other business, and by 1846, the town had become a city with a population of 6,832. In January 1847, the first election was held under the provision of the new City charter and Hamilton's first Mayor, Colin C. Ferrie, was appointed. In 1854, the Great Western Railway completed the first railroad line constructed through the core of the downtown section. Hence, goods could conveniently be transported via rail, road or water. This marked the beginning of an era for Hamilton; as it was no longer considered a small port, but rather a city possessing wealth in numbers and also in a variety of forms of transportation.

Manufacturing felt its first expansive boost in 1878 with the imposition of the National Policy. No longer could cheap manufactured goods flow freely across the border from the United States. Instead, some American firms moved into Canada to maintain their markets, while the foundries and mills in operation before 1878 expanded to handle the increased demand for their goods caused by the reduction of competition. The Hamilton area was favoured because of its central location with respect to sources of raw materials and consumer markets. By 1899, cheap electric power and the fine transportation system by boat, rail and radial lines were also factors in the continued growth of industry in the area.

THE CORPORATION OF THE CITY OF HAMILTON

GENERAL INFORMATION - (Continued)

Hamilton Today

The population of Hamilton has grown to 307,690 and takes up nearly 35,000 acres of land above and below the Niagara escarpment. The land below the escarpment bordering on Lake Ontario holds much of the industry, commerce and highrise offices, residential buildings, along with the older residential structures. The area above the escarpment, commonly referred to as "the mountain", has served to accommodate residential expansion. For the mountain residential area of 4,258.9 hectares and a population of 112,355 and growing, there are recreation complexes, hospitals, library facilities and community centres. Of the many shopping centres, Limeridge Mall, with 1 million square feet of retail space, 170 stores and services, 4,000 free parking spaces and weekly traffic of 150 to 200 thousand, is the largest in the Region.

Today, the City's economy is solidly based in the steel industry. The two major employers in the Hamilton area are Stelco (The Steel Company of Canada) and Dofasco (Dominion Foundries and Steel); alone, these two firms employ 13,000 and 11,550 individuals, respectively. Stelco, which was founded in 1910, has an acreage coverage of approximately 1,000 and has an annual raw steel capacity, at the Hamilton location, of six million tons. It produces 35% of all the steel manufactured in Canada and ranks number one in the nation amongst the primary steel manufacturers. Dofasco, founded two years later than Stelco, is rated second largest producer of steel (approximately 25%) in Canada. Dofasco produces mostly consumer durables and construction industry materials, whereas Stelco has a reputation as being more diverse in its industrial output. Both companies are leaders in technology and research and have had a tremendous impact on Hamilton directly and indirectly over the past seventy odd years. Many secondary industries in Hamilton, employing another 48,000, are indirectly dependent on steel manufacturing. The largest enterprises operating in Hamilton are:

<u>Name of Company</u>	<u>Number of Employees</u>
1. Stelco Inc.	13,000
2. Dofasco Inc.	11,550
3. McMaster University	4,350
4. Westinghouse Canada	1,950
5. Firestone Canada	1,850
6. Camco Inc.	1,550
7. J. I. Case	1,250
8. Bell Canada	1,200
9. Dominion Glass Co. Ltd.	1,000
10. National Steel Car	1,000
11. Mohawk College	1,000
12. Slater Steel	900
13. Proctor and Gamble	800
14. Susan Shoes	800
15. Cambridge Clothing	800
16. The Spectator	600

THE CORPORATION OF THE CITY OF HAMILTON

GENERAL INFORMATION - (Continued)

Renewal of Hamilton's Downtown Centre

Hamilton's economy has been shifting from that of primarily an industrial and manufacturing city to one that is more service oriented. This increase in the service sector has been helped by the rapid transformation of the downtown core by an urban renewal project which was initiated in 1967, Canada's centennial year. The past 17 years have seen the construction of Lloyd D. Jackson Square, an ultra-modern shopping centre with adjacent office towers, the well-known Hamilton Place Theatre Auditorium and the Hamilton Art Gallery. The new homes of the Central Library and Hamilton Market, in the Square, were completed and opened in 1980, while 1981 witnessed the additions to the development of the Hamilton Convention Centre/Provincial Office Tower.

The Hamilton Convention Centre, complete with an exhibition hall comprising 20,000 square feet of exhibit space, a banquet hall with seating and facilities to serve 1,900 patrons, and 13 meeting rooms of various sizes, opened in June 1981. This facility was built at a cost of 16.7 million dollars with the Province of Ontario contributing 5.1 million dollars toward the cost. In addition, the Province has constructed a 14 storey office building above the Convention Centre to provide office space for the various Provincial Ministries. This building also provides office space for the Regional Municipality of Hamilton-Wentworth administration departments.

The Standard Life Centre, Phase IV of Lloyd D. Jackson Square, provides an additional 400,000 square feet of office space and approximately 100,000 square feet of retail commercial area. The Victor K. Copps Trade Centre/Arena facility and the Hamilton Lakeview Sheraton Hotel, were both completed in 1985.

The Victor K. Copps Trade Centre/Arena facility (Copps Coliseum), at an estimated cost of 41.3 million dollars, contains over 18,000 arena seats and has 60,000 square feet of exhibition space which can be increased to over 87,000 square feet with the inclusion of the ice surface. The Federal Government contributed four million dollars and the Province of Ontario contributed the same amount by stages. Connected to the International Sheraton Hotel Complex and Lloyd D. Jackson Square, it increases the amount of retail space in the development by 33,000 square feet. The Trade Centre/Arena, which is located at the south-east corner of Bay and York Streets, has state-of-the-art facilities for sporting events, major convention sessions, concerts, exhibitions and trade shows. The entire downtown area benefits from the increased exposure brought upon by the Trade Centre/Arena which, it is hoped, will be home to a National Hockey League franchise. In December 1985 and January 1986, the World Junior Hockey Championships were hosted at Copps Coliseum.

The Lakeview/Sheraton Hotel, with 313 rooms and 18 floors, is a welcome addition to the Lloyd D. Jackson Square development. It has four lounges/restaurants, banquet facilities for 500 and 25,000 square feet of retail space. Well situated in the development, it is connected to Lloyd D. Jackson Square, Standard Life Centre, Victor K. Copps Trade Centre/Arena and by an overhead covered pedestrian walkway to the Hamilton Convention Centre. These facilities have largely enhanced the attractiveness of Hamilton for major conventions and conferences.

THE CORPORATION OF THE CITY OF HAMILTON

GENERAL INFORMATION - (Continued)

Renewal of Hamilton's Downtown Centre - (Continued)

The Downtown Action Plan evolved in the expectation of renewing the current downtown core. Public Works Department, in combination with the Business Improvement Area (B.I.A.), are working together to improve the appearance and accessibility of the downtown area. A closure to motorists of the south branch of King Street has been completed in order to establish a transit/pedestrian mall available only to buses during restricted hours. Sidewalks have been widened and their surface changed from concrete to interlocking bricks. Even the street lights have been upgraded to an attractive wrought iron design.

The redeveloped Gore Park provides a victorian garden, an amphitheatre, and in the area near the cenotaph, both grassed and hard surfaced areas. Extensive use of greenery has been made, particularly with the planting of over two hundred trees. The area north of Gore Park will be expanded to include the entire Central Business District, providing new sidewalks, lighting, trees, benches, bicycle racks and waste receptacles by 1987.

The Facade Improvement Programme commences in 1986, providing low interest loans to owners of commercial properties located in approved business improvement areas. This will be a continuous program that will rehabilitate building exteriors as well as improve business facades, including store fronts and signage.

Hamilton and Scourge

Hamilton and Scourge are two ships from the War of 1812, remarkably preserved in the depths of Lake Ontario for the past 173 years. The ships sank during a sudden squall while preparing for battle in 1813.

The City of Hamilton was granted title to the these vessels in 1980 from the U.S. Navy. A project is now underway to raise the historic ships for permanent relocation in Hamilton's Confederation Park. The 73 foot Hamilton and 57 foot Scourge have attracted international attention and will be of great attraction to visitors of the Hamilton Waterfront.

Waterfront Parks Development

The Waterfront Parks Development project could involve a transformation of the Hamilton Waterfront into a large recreational facility for Hamiltonians at a proposed cost of 33 million dollars. The project includes the creation of Hamilton Island, Dundurn Walk which will connect the Waterfront to Dundurn Castle, and Pier 4 which is a large passive park area, and other attractions. It is believed that the funding will come from both the Federal and Provincial Governments as well as the City of Hamilton.

THE CORPORATION OF THE CITY OF HAMILTON

GENERAL INFORMATION - (Continued)

Transportation in Hamilton

In order to facilitate the increase in trade and commerce in Hamilton, three major transportation facilities have been undertaken, namely the twinning of the Skyway Bridge, a Go-Rail extension, and the Airport expansion which has been completed. The Q.E.W. Skyway Bridge twinning will further increase the accessibility between Hamilton-Wentworth industries and their markets. Through the proposed extension of the full rapid transit service from Oakville to Hamilton, using the A.L.R.T. system, Hamilton hopes to upgrade the inter-regional transit services to the neighbouring Toronto area, as well as increase the accessibility to existing and planned business in the downtown core. The airport expansion includes construction of an 8,000 foot east-west runway, expansion of current apron and taxiways as well as tripling the present terminal size. The benefit of such enlargement is to improve the access to national and international business communities for Hamilton businessmen.

The port of Hamilton which can accommodate the largest ocean going vessels that transit the seaway has 10 shipping piers occupying 350 acres and 20,800 feet of modern dock facilities. Roll-on, roll-off terminal capabilities are available and help the port clear thirteen million metric tonnes per year in and out of port. The Hamilton Harbour Commissioners marine dockyard offers a variety of facilities to the recreational boating community and takes pleasure in being able to serve it.

Over 100 million people live within a radius of 500 miles of Hamilton, and the City acts as the major distribution centre to the entire Niagara Peninsula. As such, the City is the hub of a series of nine Provincial highways which include two, four-lane, controlled access roads. These highways are used by a large number of transport companies to move goods to and from Hamilton and other centres in the Province of Ontario and in the States of New York, Ohio, Pennsylvania and Michigan. The City is served by the Canadian National Railway, the Canadian Pacific Railway, and the Toronto, Hamilton and Buffalo Railway which links the C.P.R. to the Penn Central System in the United States.

Arts, Festivals, Cultural and Educational Facilities

Hamilton's natural setting is enhanced by the presence of the Royal Botanical Gardens. It has taken a prominent role as an institution on this continent. The physical aspect which visitors so appreciate, the garden and natural areas, are all part of this scientific and educational resource centre. It stands as something of a hybrid between an experimental station, a museum and a university, combined with the informal recreational aspects of a fine park system.

THE CORPORATION OF THE CITY OF HAMILTON

GENERAL INFORMATION - (Continued)

Arts, Festivals and Educational Facilities - (Continued)

Hamilton's two largest festivals, the "Festival of Friends" and "It's Your Festival" attract several hundreds of thousands of visitors annually. "It's Your Festival" takes place on the Canada Day weekend and is recognized nationally as "Canada's Biggest Birthday Party". The "Festival of Friends" is one of the major tourist attractions in Hamilton and takes place in August. Both festivals contribute to the cultural development and economic expansion of Hamilton.

In the area of culture, Hamilton has the third largest art gallery in Ontario; Hamilton Place which is a world renowned theatre-auditorium; the Hamilton Philharmonic Orchestra with a core of 32 resident musicians; and the Hamilton Public Library with over 800,000 books, 6,000 records and 1,500 films. McMaster University and Mohawk College of Applied Arts & Technology are both located in the City.

McMaster University accommodates over 10,000 full-time students and many more thousands of part-time students. The university employs 1,000 faculty members and 2,500 support staff. McMaster has one of the world's first university campus nuclear research reactors and three libraries with a combined total of nearly one million volumes. McMaster has an international reputation in the area of health sciences for the innovative programs the school of medicine offers. In addition, the University's research centre is recognized for its contribution to medical science.

Mohawk College of Applied Arts & Technology is a diploma granting institution. With over 10,000 students enrolled in full-time courses and almost 50,000 in part-time courses, it offers 50 post secondary, 23 retraining, and 8 apprenticeship programmes. Courses include a variety of vocational instruction in industry, commerce, and languages.

The Hamilton-Wentworth Economic Development Department is responsible for promoting the City of Hamilton in Canada, the U.S.A. and overseas. As indicated above, there is much to promote in this busy metropolitan centre. The changes and improvements made in the City's structure from its agricultural and commercial beginnings make it a dynamic city to be involved in, now and in the future.

THE CORPORATION OF THE CITY OF HAMILTON

SIX YEAR FINANCIAL REVIEW

(all dollar amounts are in thousands of dollars,
except per capita figures)

	1985
1. POPULATION at the end of the year	307,690
2. AREA in acres at the end of the year	34,807
3. EMPLOYEES - continuous full time	1,989
- part time	1,142
4. NUMBER OF HOUSEHOLDS	122,805
5. ASSESSMENT	
Taxable assessment upon which the year's rates of taxation were applied -	
Residential and farm	\$ 505,307
Commercial and industrial	266,688
Business	<u>124,928</u>
	\$ 896,923
	=====
Per capita	\$ 2,915
Commercial and industrial, and business as a percentage of taxable assessment	43.7%
Provincial equalization factor	11.44
6. RATES OF TAXATION	
Residential and farm mill rate	
for general municipal purposes	73.4019
for region or county purposes	59.6126
for school board purposes	<u>110.6781</u>
	243.6926
	=====
Commercial and industrial mill rate	
for general municipal purposes	86.3552
for region or county purposes	70.1325
for school board purposes	<u>130.2096</u>
	286.6973
	=====

THE CORPORATION OF THE CITY OF HAMILTON

SIX YEAR FINANCIAL REVIEW

(all dollar amounts are in thousands of dollars,
except per capita figures)

1984	1983	1982	1981	1980
308,102	309,643	308,102	304,159	306,640
34,807	34,807	34,807	34,807	34,807
1,890	1,899	1,918	1,897	1,811
1,086	993	1,147	674	631
121,991	120,497	120,317	120,174	120,316
\$ 503,788	\$ 494,249	\$ 488,045	\$ 475,601	\$ 477,763
261,906	258,354	260,781	250,874	248,648
<u>122,887</u>	<u>121,173</u>	<u>122,019</u>	<u>117,970</u>	<u>117,485</u>
\$ 888,581	\$ 873,776	\$ 870,845	\$ 844,445	\$ 843,896
=====	=====	=====	=====	=====
\$ 2,884	\$ 2,836	\$ 2,826	\$ 2,776	\$ 2,752
43.3%	43.4%	44.0%	43.7%	43.4%
11.91	12.36	12.81	13.19	13.57
69.7323	62.7923	62.7923	57.8731	50.4406
56.8038	56.6640	54.7552	50.2599	46.6984
<u>102.4846</u>	<u>98.1207</u>	<u>87.9199</u>	<u>79.2049</u>	<u>74.7248</u>
229.0207	217.5770	205.4674	187.3379	171.8638
=====	=====	=====	=====	=====
82.0379	73.8733	73.8733	68.0860	59.3419
66.8280	66.6636	64.4179	59.1293	54.9393
<u>120.5701</u>	<u>115.4361</u>	<u>103.4352</u>	<u>93.1822</u>	<u>87.9115</u>
269.4360	255.9730	241.7264	220.3975	202.1927
=====	=====	=====	=====	=====

THE CORPORATION OF THE CITY OF HAMILTON

SIX YEAR FINANCIAL REVIEW

(all dollar amounts are in thousands of dollars,
except per capita figures)

	1985
7. REVENUE FOR GENERAL MUNICIPAL PURPOSES	
Taxation	\$ 74,355
Payments in lieu of taxes	5,012
Ontario grants	14,051
Other grants	1,618
Fees and service charges	10,791
Other	<u>17,182</u>
	\$ 123,009
	=====
8. TAX ARREARS - per capita	\$ 46
- percentage of current levy	5.7%
9. EXPENDITURE - general municipal	\$ 123,276
10. TRANSFERS TO THE REGION	\$ 63,631
11. TRANSFERS TO THE SCHOOL BOARDS	\$ 113,025
12. NET LONG-TERM LIABILITIES	
General municipal activities	\$ 55,628
Per capita	\$ 181
Percentage of taxable assessment	6.2%
Municipal enterprises	\$ 643
13. CHARGES FOR NET LONG-TERM LIABILITIES	
General municipal activities	\$ 9,874
Per capita	\$ 32
As a mill rate	11.01
14. CAPITAL FINANCING DURING THE YEAR	
Contributions from own funds	\$ 14,660
Long-term liabilities incurred	14,192
Ontario grants	4,150
Other	<u>308</u>
	\$ 33,310
	=====
15. CAPITAL EXPENDITURE DURING THE YEAR	\$ 33,508
16. ACCUMULATED NET REVENUE	\$ 2,578
17. RESERVES AND RESERVE FUNDS	\$ 46,238

THE CORPORATION OF THE CITY OF HAMILTON

SIX YEAR FINANCIAL REVIEW

(all dollar amounts are in thousands of dollars,
except per capita figures)

1984	1983	1982	1981	1980
\$ 69,614	\$ 61,732	\$ 61,327	\$ 55,547	\$ 48,089
4,478	4,255	3,910	4,126	3,914
13,371	12,451	11,383	9,647	8,166
1,848	1,671	1,566	913	783
6,914	4,609	4,548	4,375	3,882
<u>19,270</u>	<u>17,063</u>	<u>20,108</u>	<u>18,831</u>	<u>15,998</u>
\$ 115,495	\$ 101,781	\$ 102,842	\$ 93,439	\$ 80,832
=====	=====	=====	=====	=====
\$ 50	\$ 53	\$ 53	\$ 50	\$ 50
6.8%	7.7%	8.2%	8.6%	9.5%
\$ 113,882	\$ 101,693	\$ 102,907	\$ 93,918	\$ 80,793
\$ 60,217	\$ 58,781	\$ 56,542	\$ 51,658	\$ 46,409
\$ 103,395	\$ 97,053	\$ 86,477	\$ 76,836	\$ 71,819
\$ 45,874	\$ 39,184	\$ 42,159	\$ 45,314	\$ 33,951
\$ 149	\$ 127	\$ 137	\$ 149	\$ 111
5.2%	4.5%	4.8%	5.4%	4.0%
\$ 752	\$ 853	\$ 947	\$ 1,253	\$ 1,347
\$ 7,975	\$ 8,120	\$ 8,284	\$ 6,406	\$ 6,308
26	26	27	21	21
8.97	9.29	9.51	7.59	7.47
\$ 20,553	\$ 8,748	\$ 8,490	\$ 5,579	\$ 7,716
10,267	494	220	14,563	-
5,527	5,129	1,789	2,857	3,808
<u>1,110</u>	<u>1,695</u>	<u>1,206</u>	<u>3,887</u>	<u>2,683</u>
\$ 37,457	\$ 16,066	\$ 11,705	\$ 26,886	\$ 14,207
=====	=====	=====	=====	=====
\$ 35,583	\$ 16,502	\$ 15,859	\$ 18,976	\$ 23,490
\$ 2,924	\$ 1,441	\$ 1,280	\$ 1,275	\$ 2,385
\$ 45,776	\$ 49,353	\$ 47,369	\$ 43,838	\$ 33,708

THE CORPORATION OF THE CITY OF HAMILTON

STATISTICAL DATA for the year ended December 31, 1985

1. NUMBER OF CONTINUOUS FULL TIME EMPLOYEES

AS AT DECEMBER 31

Administration	129
Non-line Departmental Support Staff	350
Fire	449
Public Works	618
Health Services	52
Parks and Recreation	164
Libraries	<u>227</u>
	1,989
	=====

2. TOTAL EXPENDITURES DURING THE YEAR ON:

Particulars	Continuous full time employees \$	Temporary Other \$
Wages and salaries (per T4 summary)	53,597,313	5,994,280
Employee benefits	<u>8,725,410</u>	<u>301,871</u>
	62,322,723	6,296,151
	=====	=====

3. REDUCTIONS OF TAX ROLL DURING THE YEAR

	\$
Cash collections:	
Current year's tax	240,146,259
Previous years' tax	<u>11,321,114</u>
	251,467,373
Discounts allowed	264,221
Tax adjustments under Section 362 and 363 of the Municipal Act	
Amounts written off	(12,048)
Tax adjustments under Sections 465, 495 and 496 of The Municipal Act	
Recoverable from upper tier and school boards	2,097,921
Recoverable from general municipal revenues	920,876
The Municipal Elderly Residents' Assistance Act - reductions	<u>683,175</u>
	255,421,518
	=====

THE CORPORATION OF THE CITY OF HAMILTON

STATISTICAL DATA - (Continued) for the year ended December 31, 1985

4. TAX DUE DATES FOR 1985

Interim billings:

Number of instalments	2
Due date of first instalment	February 28
Due date of last instalment	March 29

Final billings:

Number of instalments	2
Due date of first instalment	June 28
Due date of last instalment	September 30

5. PROJECTED CAPITAL EXPENDITURES AND LONG-TERM FINANCING REQUIREMENTS AS AT DECEMBER 31

Gross Expenditure	Long-term Financing Requirements		
	Approved by the O.M.B.	Submitted But Not Yet Approved by	Forecast Not Yet Submitted to
		the O.M.B.	the O.M.B.
1	2	3	4
\$	\$	\$	\$

Estimated to take place

In 1986	23,418,000	12,398,000	3,450,000	11,202,000
In 1987	24,240,000	1,167,000	-	9,996,000
In 1988	20,833,000	-	-	3,424,000
In 1989	18,092,000	-	-	3,257,000
In 1990	13,705,000	-	-	3,214,000
	<u>100,288,000</u>	<u>13,565,000</u>	<u>3,450,000</u>	<u>31,093,000</u>
	=====	=====	=====	=====

6. AMOUNT DEBENTURED SINCE DECEMBER 31, 1985

Nil

THE CORPORATION OF THE CITY OF HAMILTON

STATISTICAL DATA - (Continued) for the year ended December 31, 1985

7. APPLICATIONS TO THE ONTARIO MUNICIPAL BOARD

	Total Other \$
Approved but not financed as at December 31, 1984 (as adjusted)	25,853,039
Approved in 1985	4,659,500
Financed in 1985	(14,192,000)
No long term financing necessary	<u>(1,047,462)</u>
Balance approved but not financed as at December 31, 1985	15,273,077 =====
Applications submitted but not approved as at December 31, 1985	3,450,000 =====

8. FORECAST OF TOTAL REVENUE FUND EXPENDITURES

1986	1987	1988	1989	1990
\$	\$	\$	\$	\$
<u>137,138,000</u>	<u>143,995,000</u>	<u>149,755,000</u>	<u>155,745,000</u>	<u>161,975,000</u>



Spicer MacGillivray

Chartered Accountants

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CABLE: ESSANO HAMILTON

AUDITORS' REPORT

To Members of Council,
Inhabitants, and Ratepayers
of The Corporation of
the City of Hamilton

We have examined the consolidated balance sheet of The Corporation of the City of Hamilton as at December 31, 1985 and the consolidated statement of operations for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of The Corporation of the City of Hamilton as at December 31, 1985 and the results of its operations for the year then ended in accordance with accounting principles prescribed for Ontario Municipalities applied on a basis consistent with that of the preceding year.

Hamilton, Ontario
April 18, 1986

SPICER MACGILLIVRAY
Chartered Accountants
Municipal License No. 1105

THE CORPORATION OF THE CITY OF HAMILTON

***FINANCIAL STATEMENTS
– GENERAL MUNICIPAL***

THE CORPORATION OF THE CITY OF HAMILTON

FINANCIAL STATEMENTS
— GENERAL MUNICIPAL —

THE CORPORATION OF THE CITY OF HAMILTON

CONSOLIDATED BALANCE SHEET as at December 31, 1985

	1985 \$	1984 \$
ASSETS		
Unrestricted		
Cash and term deposits	22,810,025	28,046,160
Investments (Note 11)		
Municipal - own	241,000	346,000
- other	12,628,000	2,644,000
Taxes receivable	14,011,877	15,449,015
Accounts receivable	7,341,681	4,782,829
Other current assets	2,335,660	2,189,100
	<u>59,368,243</u>	<u>53,457,104</u>
Restricted		
Cash and term deposits	8,932,355	10,479,440
Long term receivables	398,727	1,615,792
Investments (Note 11)		
Municipal - own	143,000	156,000
- other	1,688,608	1,593,197
	<u>11,162,690</u>	<u>13,844,429</u>
Capital outlay financed by long term liabilities and to be recovered in future years	<u>56,271,341</u>	<u>46,625,930</u>
	<u>126,802,274</u>	<u>113,927,463</u>
	=====	=====
LIABILITIES		
Accounts payable and accrued liabilities	13,949,281	10,666,672
Other current liabilities	616,549	666,698
	<u>14,565,830</u>	<u>11,333,370</u>
Net long term liabilities (Note 5)	56,271,341	46,625,930
Municipal Fund balances at the end of the year		
To be used to offset taxation or user charges (Note 6)	2,940,187	3,206,721
Unexpended capital financing (Note 6)	6,787,189	6,985,437
Reserves (Note 8)	35,075,037	31,931,576
Reserve funds (Note 8)	<u>11,162,690</u>	<u>13,844,429</u>
	<u>126,802,274</u>	<u>113,927,463</u>
	=====	=====

The accompanying notes are an integral part of this financial statement.

THE CORPORATION OF THE CITY OF HAMILTON

CONSOLIDATED STATEMENT OF OPERATIONS for the year ended December 31, 1985

	1985 \$	1984 \$
SOURCES OF FINANCING:		
Taxation and user charges		
Residential and farm taxation	39,547,929	37,463,695
Commercial, industrial and business taxation	39,820,083	36,627,795
User charges	<u>14,200,365</u>	<u>12,089,035</u>
	<u>93,568,377</u>	<u>86,180,525</u>
Grants		
Government of Canada	1,014,488	1,588,420
Province of Ontario	20,349,803	21,909,190
Other municipalities	<u>796,988</u>	<u>785,493</u>
	<u>22,161,279</u>	<u>24,283,103</u>
Other		
Contributions from developers	1,192,146	605,761
Investment income	7,877,157	8,486,860
Sale of land	2,758,594	497,380
Fines, penalties and interest on taxes	4,311,193	4,168,262
Other	<u>2,228,370</u>	<u>2,165,445</u>
	<u>18,367,460</u>	<u>15,923,708</u>
Proceeds from the issue of long term liabilities	<u>14,192,000</u>	<u>10,267,000</u>
Net appropriation from reserves and reserve funds	<u>-</u>	<u>3,576,497</u>
MUNICIPAL FUND BALANCES AT THE BEGINNING OF THE YEAR		
To be used to offset taxation or user charges	3,206,721	1,582,379
Unexpended capital financing	<u>6,985,437</u>	<u>5,110,930</u>
	<u>10,192,158</u>	<u>6,693,309</u>
Total financing available during the year	<u>158,481,274</u> =====	<u>146,924,142</u> =====

The accompanying notes are an integral part of this financial statement.

THE CORPORATION OF THE CITY OF HAMILTON

CONSOLIDATED STATEMENT OF OPERATIONS for the year ended December 31, 1985

	1985 \$	1984 \$
APPLIED TO:		
Current operations		
General government	17,590,644	14,960,458
Protection to persons and property	23,514,268	22,044,533
Transportation services	17,211,089	16,137,226
Environmental services	4,608,893	4,560,787
Health services	2,106,777	2,034,466
Social and family services	5,355,284	4,282,956
Recreation and cultural services	32,542,751	29,753,944
Planning and development	8,211,211	7,295,420
	<u>111,140,917</u>	<u>101,069,790</u>
Capital		
General government	232,487	421,228
Protection to persons and property	747,470	82,096
Transportation services	9,577,504	11,888,539
Environmental services	261,903	216,060
Health services	317,825	118,176
Social and family services	193,974	5,629
Recreation and cultural services	20,135,377	19,096,484
Planning and development	2,750,292	3,833,982
	<u>34,216,832</u>	<u>35,662,194</u>
Transfer of net appropriation of Ontario Home Renewal Plan to Trust Fund (Note 9)	<u>2,934,427</u>	<u>-</u>
Net appropriations to reserves and reserve funds	<u>461,722</u>	<u>-</u>
MUNICIPAL FUND BALANCES AT THE END OF THE YEAR (Note 6)		
To be used to offset taxation or user charges	2,940,187	3,206,721
Unexpended capital financing	<u>6,787,189</u>	<u>6,985,437</u>
	<u>9,727,376</u>	<u>10,192,158</u>
Total applications during the year	<u>158,481,274</u>	<u>146,924,142</u>

The accompanying notes are an integral part of this financial statement.

THE CORPORATION OF THE CITY OF HAMILTON

ANALYSIS OF CAPITAL OPERATIONS for the year ended December 31, 1985

	1985 \$	1984 \$
UNFINANCED CAPITAL OUTLAY (unexpended capital financing) AT BEGINNING OF THE YEAR	<u>(6,985,437)</u>	<u>(5,110,930)</u>
SOURCES OF FINANCING		
Contribution from own funds		
Revenue fund	4,106,673	4,210,952
Reserves and reserve funds	<u>10,553,543</u>	<u>16,341,680</u>
	<u>14,660,216</u>	<u>20,552,632</u>
Long term liabilities incurred		
Serial debentures	192,000	10,267,000
Sinking fund debentures	<u>14,000,000</u>	<u>-</u>
	<u>14,192,000</u>	<u>10,267,000</u>
Grants and loan forgiveness		
Ontario	4,150,250	5,527,364
Canada	184,057	525,486
Other municipalities	<u>10,000</u>	<u>96</u>
	<u>4,344,307</u>	<u>6,052,946</u>
Other		
Prepaid special charges	117,217	165,648
Proceeds from sale of fixed assets	17,140	101,279
Donations.	51,142	122
Miscellaneous	13,920	-
Recovery of costs	<u>(85,742)</u>	<u>317,557</u>
	<u>113,677</u>	<u>584,606</u>
	<u>33,310,200</u>	<u>37,457,184</u>
APPLICATIONS		
Own expenditures	32,775,601	33,708,553
Transfers to reserves, reserve funds and revenue fund	<u>732,847</u>	<u>1,874,124</u>
	<u>33,508,448</u>	<u>35,582,677</u>
UNFINANCED CAPITAL OUTLAY (unexpended capital financing) AT END OF YEAR	<u>(6,787,189)</u> =====	<u>(6,985,437)</u> =====

THE CORPORATION OF THE CITY OF HAMILTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended December 31, 1985

1. ACCOUNTING POLICIES

(a) Basis of Consolidation -

(i) Consolidated Balance Sheet -

This statement reflects the assets and liabilities of the revenue fund, reserve funds and the capital fund and includes the activities of all Committees of Council and the following local boards and municipal enterprises:

- (1) Hamilton Place Convention Centre
- (2) Hamilton Performing Arts Corporation, Inc.
- (3) Hamilton Public Library Board
- (4) The Parking Authority of the City of Hamilton
- (5) Victor K. Copps Trade Centre/Arena
- (6) Concession Street Business Improvement Area
- (7) Downtown Hamilton Business Improvement Area

All interfund assets and liabilities are eliminated with the exception of loans or advances between the reserve funds and other fund of the Municipality.

(ii) Consolidated Statement of Operations -

This statement reflects the consolidated sources of financing and expenditures of the revenue fund, reserves, reserve funds and the capital fund of the Municipality and those local boards, municipal enterprises and utilities described in note 1(a) (i).

(b) Non Consolidated Entities -

The Consolidated Balance Sheet and the Consolidated Statement of Operations do not reflect the assets, liabilities, revenues and expenditures of the following municipal enterprises except to the extent of the Municipality's contribution:

- (i) The Hamilton and Scourge Foundation, Inc.
- (ii) Hamilton Housing Company Limited
- (iii) The Hamilton Municipal Retirement Fund
- (iv) The Hamilton Hydro Electric System
- (v) Municipal Non-Profit (Hamilton) Housing Corporation
- (vi) Trust Funds

(c) Basis of Accounting

(i) Accrual Accounting

The consolidated financial statements of the City have been prepared on the basis of full accrual accounting with the exception of principal and interest payments on long term liabilities which are charged against operations in the periods in which they are paid.

The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

THE CORPORATION OF THE CITY OF HAMILTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued) for the year ended December 31, 1985

1. ACCOUNTING POLICIES - (Continued)

(c) Basis of Accounting - (Continued)

(ii) Fixed Assets

The historical cost and accumulated depreciation for fixed assets are not recorded for municipal purposes. Fixed assets are reported as an expenditure on the "Consolidated Statement of Operations" in the year of acquisition. For those fixed assets financed or to be financed by the issue of long term indebtedness, the principal and interest on the long term indebtedness are also reported on the "Consolidated Statement of Operations" as they are incurred.

(iii) Capital Outlay to be Recovered in Future Years

"Capital outlay to be recovered in future years," which represents the outstanding principal portion of unmatured long term liabilities for municipal expenditures or capital funds transferred to other organizations, is reported on the "Consolidated Balance Sheet".

(d) Accounting for Region and School Board Transactions (Net)

The taxation, other revenues, expenditures, assets and liabilities, with respect to the operations of the school boards and the Regional Municipality of Hamilton-Wentworth, are not reflected in the financial statements except to the extent that underlevies are reported on the "Consolidated Balance Sheet" as accounts receivable.

2. OPERATION OF SCHOOL BOARDS AND THE REGIONAL MUNICIPALITY OF HAMILTON-WENTWORTH

Further to note 1 (d), the taxation, other revenues, expenditures and underlevies of the school boards and the Regional Municipality of Hamilton-Wentworth are comprised of the following:

	School Boards \$	Region \$
Taxation and user charges	113,021,328	63,576,636
Less Requisition	<u>113,024,679</u>	<u>63,631,272</u>
(Underlevies) for the year	(3,351)	(54,636)
(Underlevies) at the beginning of the year	<u>(114,265)</u>	<u>(168,449)</u>
(Underlevies) at the end of the year	(117,616)	(223,085)
	=====	=====

3. TRUST FUNDS

Trust funds administered by the Municipality amounting to \$5,990,962 (1984 - \$2,931,625) have not been included in the "Consolidated Balance Sheet" nor have these operations been included in the "Consolidated Statement of Operations".

THE CORPORATION OF THE CITY OF HAMILTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued) for the year ended December 31, 1985

4. LIABILITY FOR VESTED SICK LEAVE BENEFITS

Under the sick leave benefit plan for employees, unused sick leave can accumulate and employees may become entitled to cash payments upon termination of services after seven continuous years.

The liability for these accumulated days, to the extent they have vested and could be taken in cash by an employee on terminating, amounted to approximately \$9,871,917 (1984 - \$9,700,128) at the end of the year. Cash payments made in lieu of sick leave are included in the expenditures of the year in which services are terminated but no provision is made in the years in which the liability is incurred; however, \$2,257,108 (1984 - \$1,807,890) is available from the Reserve for Sick Leave on Resignation in case of shortfall and is included as a part of the total Reserve reported on the "Consolidated Balance Sheet".

	1985 \$	1984 \$
5. NET LONG-TERM LIABILITIES		
(a) The balance for net long term liabilities reported on the "Consolidated Balance Sheet" is made up of the following:		
Total long term liabilities incurred by the Municipality including those incurred on behalf of school boards, other municipalities and municipal enterprises and outstanding at the end of the year amount to	47,740,710	55,248,488
In addition, the Municipality has assumed responsibility for the payment of principal and interest charges on certain long term liabilities issued by the Regional Municipality of Hamilton-Wentworth. At the end of the year, the outstanding principal amount of this liability is	51,675,544	40,537,573
Of the long term liabilities shown above, the responsibility for payment or principal and interest charges has been assumed by unconsolidated local boards, municipal enterprises and utilities and other municipalities. At the end of the year the outstanding principal amount of this liability is	(43,144,913)	(49,160,131)
	56,271,341	46,625,930
	=====	=====

THE CORPORATION OF THE CITY OF HAMILTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued) for the year ended December 31, 1985

5. NET LONG-TERM LIABILITIES - (Continued)

- (b) Of the net long term liabilities reported in (a) of this note, principal payments of \$20,768,648 are payable from 1986 to 1990, \$31,428,164 from 1991 to 1995, and \$4,074,529 thereafter, summarized as follows:

	1986 to 1990 \$	1991 to 1995 \$	1996 and Thereafter \$
From:			
General municipal revenues	18,920,352	30,717,739	3,606,641
Benefitting landowners	1,239,296	531,425	467,888
Consolidated Municipal enterprises	464,000	179,000	-
Reserve	145,000	-	-
	<u>20,768,648</u>	<u>31,428,164</u>	<u>4,074,529</u>
	=====	=====	=====

Some of the net long term liabilities, noted above, do not represent a burden on general municipal revenues, as they are to be recovered in future years from other sources:

	1985 \$	1984 \$
Special charges on benefitting landowners	2,238,608	2,411,197
Municipal enterprises	<u>643,000</u>	<u>751,500</u>
	<u>2,881,608</u>	<u>3,162,697</u>
	=====	=====

- (c) The long-term liabilities, reported on the "Consolidated Balance Sheet", are approved by the Ontario Municipal Board.
- (d) The Municipality is contingently liable for the payment of principal and interest applicable to long term liabilities, assumed by other municipalities, school boards and unconsolidated local boards, municipal enterprises and utilities. The total amount outstanding as at December 31, 1985 is \$43,144,913 (1984 - \$49,160,131) and is not recorded on the "Consolidated Balance Sheet".

6. MUNICIPAL FUND BALANCES AT THE END OF THE YEAR

	1985 \$	1984 \$
(a) To be used to offset taxation or user charges:		
General rate payers	2,171,550	2,495,652
Designated rate payers	752,184	699,254
Business Improvement Areas	16,453	11,815
	<u>2,940,187</u>	<u>3,206,721</u>
	=====	=====

THE CORPORATION OF THE CITY OF HAMILTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued) for the year ended December 31, 1985

6. MUNICIPAL FUND BALANCES AT END OF YEAR - (Continued)

	1985	1984
	\$	\$
(b) (i) Unexpended Capital Financing:		
Unapplied Capital Receipts	7,271,555	10,634,425
Unfinanced Capital Expenditure	(484,366)	(3,648,988)
	6,787,189	6,985,437
	=====	=====

(ii) Ontario Municipal Board approval has been obtained for all unfinanced capital expenditures of 1985 - \$484,366 (1984 - \$3,648,988).

(iii) Approval of the Ontario Municipal Board has been obtained for the pending issues of long term liabilities and for those commitments to be financed from revenue beyond the term of Council.

7. CHARGES FOR NET LONG-TERM LIABILITIES

Total charges for the year for net long-term liabilities which are reported on the "Consolidated Statement of Operation" are as follows:

	1985	1984
	\$	\$
Principal	4,546,589	3,686,846
Interest	5,377,138	4,336,849
	9,923,727	8,023,695
	=====	=====

The charges for long-term liabilities assumed by the non-consolidated entities are not reflected in these statements.

THE CORPORATION OF THE CITY OF HAMILTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued) for the year ended December 31, 1985

8. RESERVES AND RESERVE FUNDS

The total balance of the reserve and reserve funds is \$35,075,037 (1984 - \$31,931,576) and \$11,162,690 (1984 - \$13,844,429) respectively are made up of the following:

	1985 \$	1984 \$
RESERVES - Set aside for specific purpose by Council		
Acquisition of historic properties	588,973	316,551
Alpha enclaves	60,597	314,303
Contingency	1,824,630	1,559,082
Debt charges	4,103,950	3,983,193
Election	3,469	135,000
Emergency snow removal	1,585,078	500,000
Extended health care benefit	144,313	143,573
Uninsured losses	1,319,977	127,889
General Concrete	2,908	2,908
Hamilton Performing Arts		
- innovated programming	75,000	16,291
- special projects	16,249	12,059
- piano replacement	14,200	11,300
Hamilton Public Library		
- office computerization	-	30,000
- purchase of books	16,575	16,158
- miscellaneous collections	26,689	23,845
- mobile equipment	54,694	49,694
- repair grounds	13,408	7,978
- repair buildings	66,184	40,984
- replacement of photocopiers	40,000	20,000
- film replacement	27,866	12,698
- automated acquisition	10,000	10,000

THE CORPORATION OF THE CITY OF HAMILTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued) for the year ended December 31, 1985

8. RESERVES AND RESERVE FUNDS - (Continued)

RESERVES - Set aside for specific purpose by Council - (Continued)

	1985	1984
	\$	\$
Historic fire engine	4,000	4,000
Industrial land debt charges	177,393	226,727
Group Life Insurance	193,488	-
Maintenance of playground facilities	25,973	24,460
Major repairs and improvements to City owned properties	253,377	147,094
Major repairs to mobile equipment	783,858	540,213
Motorized equipment	401,613	238,334
Property purchases	3,795,744	5,757,349
Realty taxes - Beach Strip properties	15,532	19,106
Replacement of mobile equipment	5,824,360	4,671,209
Services for unsubdivided lands development	977,390	1,190,737
Sick leave on resignation	2,257,108	1,807,890
Deferred Income Plan for City Council members	327,897	237,800
Workers' Compensation	404,873	404,873
Working funds, inventories, reduction of taxes and prepaid expenses	9,637,671	9,078,278
World Junior Hockey	-	250,000
Total Reserves	35,075,037	31,931,576
	=====	=====

RESERVE FUNDS - Set aside for specific purpose by legislation regulations or agreement

Acquisition of properties under the Planning Act	2,156,932	1,237,114
Off-street parking	930,586	1,038,175
	<u>3,087,518</u>	<u>2,275,289</u>

THE CORPORATION OF THE CITY OF HAMILTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued) for the year ended December 31, 1985

8. RESERVES AND RESERVE FUNDS - (Continued)

RESERVE FUNDS - Set aside for specific purpose
by Council

American exchange	-	75,558
Capital projects - general	4,017,964	851,133
City vehicle insurance	472,130	402,938
Hamilton Convention Centre		
- capital projects	603,164	402,044
Hamilton Performing Arts Corp.		
- capital projects - general	323,980	81,527
- ticket surcharge	242,829	140,577
Hamilton Public Library		
- future capital construction	3,798	31,358
- capital projects	801,724	668,799
Hamilton Rehabilitation Loan Program	741,215	511,645
Victor K. Copps Trade/Centre/Arena		
- capital projects	555,985	-
Ontario Home Renewal Program	-	2,776,509
Ontario Home Renewal Program (rental)	-	157,918
Park improvements at Ivor Wynne Stadium	312,383	221,001
Victor K. Copps Trade Centre/Arena	-	5,248,133
	<u>8,075,172</u>	<u>11,569,140</u>
Total Reserve Fund	11,162,690	13,844,429
	=====	=====

9. ONTARIO HOME RENEWAL PROGRAM

Effective January 1, 1985, amendments to regulations require that Ontario Home Renewal Program funds be accounted for as a trust fund and no longer as a reserve fund. The 1985 transactions for this program are reflected in the financial statements of the trust funds of the Municipality.

10. NON-ACCRUAL OF INTEREST OF LONG TERM LIABILITIES

No provision has been made in these financial statements for the accrual of interest on the net long term liabilities. Had this provision been made, the municipal fund balance as at December 31, 1985 would have been decreased by \$1,775,037 (1984 - \$1,294,727).

11. INVESTMENTS

The total investments of \$14,700,608 (1984 - \$4,739,197) reported on the "Consolidated Balance Sheet" at face value, have a market value of \$15,077,729 (1984 - \$4,794,294) at the end of the year.

THE CORPORATION OF THE CITY OF HAMILTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - (Continued) for the year ended December 31, 1985

12. CONTRACTUAL OBLIGATIONS

The Municipality is a party to agreements and contracts involving significant future liabilities relative to capital projects in progress. The financial statements reflect the costs incurred to date and the capital budget prepared for five years in the future, updated annually provides for the financing of these future obligations within the estimated financial resources of the Municipality.

13. COMPARATIVE FIGURES

Certain Comparative figures for 1984 have been restated to agree with the financial statement presentation adopted for 1985.

THE CORPORATION OF THE CITY OF HAMILTON



ANALYTICAL SCHEDULES – GENERAL MUNICIPAL

THE CORPORATION OF THE CITY OF HAMILTON



THE CORPORATION OF THE CITY OF HAMILTON

ANALYSIS OF REVENUE FUND REVENUES for the year ended December 31, 1985

	Total Revenue \$	Upper Tier Purposes \$	School Board Purposes \$	Municipal Purposes \$
TAXATION	<u>245,089,870</u>	<u>59,814,146</u>	<u>110,920,677</u>	<u>74,355,047</u>
PAYMENTS IN LIEU OF TAXES				
Canada	684,855	306,929	-	377,926
Canada enterprises	336,824	82,394	152,976	101,454
Ontario				
The Municipal Act Sec.160	877,800	394,057	-	483,743
Other	193,650	86,932	-	106,718
Ontario enterprises				
Ontario Housing Corp	4,288,320	1,050,566	1,944,176	1,293,578
Ontario Hydro	1,571,705	692,685	3,499	875,521
Liquor Control Board	103,397	42,180	-	61,217
Other	131,360	51,650	-	79,710
Municipal enterprises	<u>2,688,195</u>	<u>1,055,097</u>	<u>-</u>	<u>1,633,098</u>
	<u>10,876,106</u>	<u>3,762,490</u>	<u>2,100,651</u>	<u>5,012,965</u>
ONTARIO GRANTS				
Resource equalization	5,362,347	-	-	5,362,347
General support	<u>4,815,439</u>	<u>-</u>	<u>-</u>	<u>4,815,439</u>
	<u>10,177,786</u>	<u>-</u>	<u>-</u>	<u>10,177,786</u>
OTHER GRANTS & FEES				
Ontario specific grants	3,872,767	-	-	3,872,767
Canada specific grants	830,431	-	-	830,431
Other municipal grants	786,988	-	-	786,988
Fees & service charges	<u>10,791,356</u>	<u>-</u>	<u>-</u>	<u>10,791,356</u>
	<u>16,281,542</u>	<u>-</u>	<u>-</u>	<u>16,281,542</u>
OTHER REVENUE				
Licences & permits	3,409,009	-	-	3,409,009
Fines	1,814,116	-	-	1,814,116
Penalty & interest on taxes	2,497,077	-	-	2,497,077
Investment income - own funds	7,495,654	-	-	7,495,654
Sale of publications	15,584	-	-	15,584
Capital fund contributions	74,172	-	-	74,172
Reserve fund contributions	1,282,552	-	-	1,282,552
Contributions from non consolidated entities	275,699	-	-	275,699
Vehicle insurance premium recovered	129,767	-	-	129,767
Miscellaneous revenue	<u>188,449</u>	<u>-</u>	<u>-</u>	<u>188,449</u>
	<u>17,182,079</u>	<u>-</u>	<u>-</u>	<u>17,182,079</u>
	<u>299,607,383</u>	<u>63,576,636</u>	<u>113,021,328</u>	<u>123,009,419</u>
	=====	=====	=====	=====

THE CORPORATION OF THE CITY OF HAMILTON

ANALYSIS OF TAXATION for the year ended December 31, 1985

	Local Taxable Assessment		
	Residential	Commercial	
	and Farm	and	Business
	1	2	3
	\$	\$	\$
I. OWN PURPOSES			
Levied by mill rate			
General	505,306,719	266,688,483	124,928,241
Telephone & telegraph taxation			
Local improvements			
Sewer & water service charges			
Business improvement area			
TOTAL OWN PURPOSES			
II. UPPER TIER PURPOSES			
Levied by mill rate			
General	505,306,719	266,688,483	124,928,241
Telephone & telegraph taxation			
TOTAL UPPER TIER PURPOSES			
III. SCHOOL BOARD PURPOSES			
Elementary public			
Board of Education for the City of Hamilton	373,321,172	252,258,993	119,526,324
Telephone & telegraph taxation			
Elementary separate			
Hamilton-Wentworth Roman Catholic Separate School Board	131,985,547	14,429,490	5,401,917
Secondary			
Board of Education for the City of Hamilton	505,306,719	266,688,483	124,928,241
Telephone & telegraph taxation			
TOTAL SCHOOL BOARD PURPOSES			

THE CORPORATION OF THE CITY OF HAMILTON

ANALYSIS OF TAXATION for the year ended December 31, 1985

Mill Rates		Taxes Levied		Supplementary Taxes	Total Taxes
Residential and Farm 4	Commercial, Industrial, and Business 5	Residential and Farm 6	Commercial, Industrial, and Business 7	Residential and Non- Residential 8	Total Columns 6 to 8 9
		\$	\$	\$	\$
73.4019	86.3552	37,090,497	33,818,162	1,186,118	72,094,777
			1,550,631	-	1,550,631
		514,468	-	-	514,468
		41,416	-	-	41,416
			153,755	-	153,755
		37,646,381	35,522,548	1,186,118	74,355,047
		=====	=====	=====	=====
59.6126	70.1325	30,122,647	27,465,060	963,293	58,551,000
		-	1,263,146	-	1,263,146
		30,122,647	28,728,206	963,293	59,814,146
		=====	=====	=====	=====
65.4968	77.0551	24,451,345	28,647,957	888,252	53,987,554
		-	1,229,126	-	1,229,126
65.4968	77.0551	8,644,635	1,528,111	170,124	10,342,870
45.1813	53.1545	22,830,395	20,816,173	730,095	44,376,663
		-	984,464	-	984,464
		55,926,375	53,205,831	1,788,471	110,920,677
		=====	=====	=====	=====

THE CORPORATION OF THE CITY OF HAMILTON

ANALYSIS OF CURRENT REVENUE FOR SPECIFIC FUNCTIONS for the year ended December 31, 1985

	Ontario Specific Grants \$	Canada Grants \$	Other Municipalities- Grants Fees and Service Charges \$	Fees and Service Charges \$
GENERAL GOVERNMENT	<u>9,036</u>	<u>19,581</u>	<u>164,912</u>	<u>1,756,954</u>
PROTECTION TO PERSONS & PROPERTY				
Fire	1,500	-	-	193,951
Protective inspection and control	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,574</u>
	<u>1,500</u>	<u>-</u>	<u>-</u>	<u>196,525</u>
TRANSPORTATION SERVICES				
Roadways	2,071,986	-	426,228	520,049
Winter control	819,014	-	129,480	-
Parking	-	-	-	2,027,491
Air transportation	<u>-</u>	<u>738,850</u>	<u>-</u>	<u>118,121</u>
	<u>2,891,000</u>	<u>738,850</u>	<u>555,708</u>	<u>2,665,661</u>
ENVIRONMENTAL SERVICES				
Waterworks system	-	-	-	1,525
Pollution control	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,525</u>
HEALTH SERVICES				
Cemeteries	<u>-</u>	<u>-</u>	<u>-</u>	<u>616,021</u>
SOCIAL & FAMILY SERVICES				
Assistance to aged persons	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>10,764</u>
RECREATION & CULTURAL SERVICES				
Parks and recreation	34,560	-	-	2,882,780
Libraries	721,994	-	66,368	373,939
Other cultural	<u>116,531</u>	<u>-</u>	<u>-</u>	<u>1,030,533</u>
	<u>873,085</u>	<u>-</u>	<u>66,368</u>	<u>4,287,252</u>
PLANNING & DEVELOPMENT				
Planning and zoning	-	-	-	343,800
Commercial and industrial	12,000	-	-	881,685
Residential development	56,146	72,000	-	1,219
Agriculture & reforestation	<u>-</u>	<u>-</u>	<u>-</u>	<u>29,950</u>
	<u>68,146</u>	<u>72,000</u>	<u>-</u>	<u>1,256,654</u>
	<u>3,872,767</u>	<u>830,431</u>	<u>786,988</u>	<u>10,791,356</u>
	=====	=====	=====	=====

THE CORPORATION OF THE CITY OF HAMILTON

ANALYSIS OF CAPITAL GRANTS AND OWN EXPENDITURES for the year ended December 31, 1985

	Capital Grants			Own Expendi- tures
	Ontario Grants \$	Canada Grants \$	Other Munici- palities \$	
GENERAL GOVERNMENT	52,189	15,116	-	131,491
PROTECTION TO PERSONS AND PROPERTY				
Fire	12,253	-	-	708,888
Protective inspection and control	-	-	-	21,526
Unclassified - flood control	-	-	-	14,532
	12,253	-	-	744,946
TRANSPORTATION SERVICES				
Roadways	1,916,225	3,577	-	8,484,247
Winter control	-	(12,416)	-	20
Parking	-	-	-	720,685
Other - Harbour	-	402	-	4,272
	1,916,225	(8,437)	-	9,209,224
ENVIRONMENTAL SERVICES				
Sanitary sewer system	-	-	-	81,941
Waterworks system	-	-	-	3,406
Garbage collection	-	-	-	19,408
	-	-	-	104,755
HEALTH SERVICES				
Cemeteries	173,528	56,454	-	294,698
SOCIAL AND FAMILY SERVICES				
General assistance	15,267	-	-	20,244
Assistance to children	-	-	-	5,016
Day nurseries	168,714	-	-	168,714
	183,981	-	-	193,974
RECREATION AND CULTURAL SERVICES				
Parks and recreation	948,798	42,780	-	19,154,725
Libraries	68,192	77,864	10,000	196,171
Other cultural	289,779	500	-	366,520
	1,306,769	121,144	10,000	19,717,416
PLANNING AND DEVELOPMENT				
Commercial and industrial	-	-	-	1,663,863
Residential development	505,305	(220)	-	715,234
	505,305	(220)	-	2,379,097
	4,150,250	184,057	10,000	32,775,601
	=====	=====	=====	=====

THE CORPORATION OF THE CITY OF HAMILTON

ANALYSIS OF REVENUE FUND EXPENDITURES for the year ended December 31, 1985

	Salaries Wages and Employee Benefits 1 \$	Net Long-term Debt Charges 2 \$
GENERAL GOVERNMENT	9,105,756	303,835
PROTECTION TO PERSONS AND PROPERTY		
Fire	18,590,116	171,380
Conservation authority	-	25,245
Protective inspection and control	2,495,418	-
	<u>21,085,534</u>	<u>196,625</u>
TRANSPORTATION SERVICES		
Roadways	6,062,354	1,390,589
Winter control	1,043,386	-
Parking	604,498	185,986
Street lighting	51,007	-
Air transportation	238,985	-
	<u>8,000,230</u>	<u>1,576,575</u>
ENVIRONMENTAL SERVICES		
Sanitary sewer system	47,636	171,660
Waterworks system	8,635	-
Garbage collection	2,976,662	-
Polution control	-	-
	<u>3,032,933</u>	<u>171,660</u>
HEALTH SERVICES		
Hospitals	-	17,900
Cemeteries	1,692,834	-
	<u>1,692,834</u>	<u>17,900</u>
SOCIAL AND FAMILY SERVICES		
General assistance	-	-
Assistance to aged persons	99,182	34,265
Assistance to children	-	-
	<u>99,182</u>	<u>34,265</u>
RECREATION AND CULTURAL SERVICES		
Parks and recreation	9,454,661	1,794,273
Libraries	6,397,326	1,533,787
Other cultural	1,485,078	766,160
	<u>17,337,065</u>	<u>4,094,220</u>
PLANNING AND DEVELOPMENT		
Planning and zoning	310,705	-
Commercial and industrial	1,166,375	3,082,555
Residential development	356,187	396,757
Agriculture and reforestation	733,839	-
	<u>2,567,106</u>	<u>3,479,312</u>
	62,920,640	9,874,392
	=====	=====

THE CORPORATION OF THE CITY OF HAMILTON

ANALYSIS OF REVENUE FUND EXPENDITURES for the year ended December 31, 1985

Materials, Services, Rents and Financial Expenses	Transfers to own Funds	Other Transfers	Inter- functional Transfers	Total Expenditure
3	4	5	6	7
\$	\$	\$	\$	\$
8,155,996	4,193,694	16,529	(20,000)	21,755,810
1,803,761	202,673	12,967	(309,187)	20,471,710
-	32,000	-	-	57,245
652,821	22,060	-	-	3,170,299
2,456,582	256,733	12,967	(309,187)	23,699,254
1,803,277	4,583,843	19,000	-	13,859,063
1,664,433	500,000	-	-	3,207,819
884,609	543,883	7,623	-	2,226,599
2,362,562	-	-	-	2,413,569
293,620	-	7,340	329,187	869,132
7,008,501	5,627,726	33,963	329,187	22,576,182
8,319	-	-	-	227,615
40,629	-	-	-	49,264
1,256,111	-	-	-	4,232,773
10,000	-	-	-	10,000
1,315,059	-	-	-	4,519,652
-	-	-	-	17,900
376,190	20,734	-	-	2,089,758
376,190	20,734	-	-	2,107,658
841,007	-	-	-	841,007
3,374,487	-	817,037	-	4,324,971
-	-	189,306	-	189,306
4,215,494	-	1,006,343	-	5,355,284
5,382,423	1,985,135	294,459	-	18,910,951
2,982,879	1,009,903	-	-	11,923,895
1,226,639	398,139	289,981	-	4,165,997
9,591,941	3,393,177	584,440	-	35,000,843
1,323,979	180	-	-	1,634,864
241,620	143,492	-	-	4,634,042
88,569	30	100,000	-	941,543
316,982	-	-	-	1,050,821
1,971,150	143,702	100,000	-	8,261,270
35,090,913	13,635,766	1,754,242	-	123,275,953
=====	=====	=====	=====	=====

THE CORPORATION OF THE CITY OF HAMILTON

ANALYSIS OF NET LONG-TERM LIABILITIES BY FUNCTION as at December 31, 1985

	1985 \$
GENERAL GOVERNMENT	<u>1,709,000</u>
PROTECTION TO PERSONS AND PROPERTY	
Fire	1,576,435
Conservation Authority	<u>101,000</u>
	<u>1,677,435</u>
TRANSPORTATION SERVICES	
Roadways	4,541,956
Parking	<u>2,422,000</u>
	<u>6,963,956</u>
ENVIRONMENTAL SERVICES	
Sanitary sewer system	<u>365,400</u>
HEALTH SERVICES	
Hospitals	102,000
Cemeteries	<u>220,000</u>
	<u>322,000</u>
SOCIAL AND FAMILY SERVICES	
Assistance to aged persons	<u>180,000</u>
RECREATION AND CULTURAL SERVICES	
Parks and recreation	18,067,701
Libraries	8,304,040
Other cultural	<u>3,398,064</u>
	<u>29,769,805</u>
PLANNING AND DEVELOPMENT	
Commercial and industrial	13,651,445
Residential development	<u>1,632,300</u>
	<u>15,283,745</u>
	56,271,341
	=====

THE CORPORATION OF THE CITY OF HAMILTON

ANALYSIS OF LONG-TERM LIABILITIES AND COMMITMENTS as at December 31, 1985

	1985 \$
1. CALCULATION OF DEBT BURDEN OF THE MUNICIPALITY	
All debt issued by the municipality, predecessor municipalities and consolidated entities	
- To Ontario and agencies	12,928,764
- To Canada and agencies	7,846,946
- To others	<u>26,965,000</u>
	<u>47,740,710</u>
Plus - all debt assumed by the municipality from others	<u>51,675,544</u>
Less - all debt assumed by others	
Ontario	9,283
Schoolboards	5,433,272
Other municipalities	<u>37,702,358</u>
	<u>43,144,913</u>
TOTAL DEBT (instalment serial debentures)	<u>56,271,341</u> =====
2. LONG-TERM COMMITMENTS AND CONTINGENCIES AT YEAR END	
Total liability for accumulated sick pay credits	<u>9,871,917</u> =====

THE CORPORATION OF THE CITY OF HAMILTON

ANALYSIS OF LONG-TERM LIABILITIES AND COMMITMENTS - (Continued) as at December 31, 1985

3. 1985 DEBT CHARGES	Principal	Interest
Recovered from the consolidated revenue fund	\$	\$
- general tax rates	4,040,500	5,034,586
- benefitting landowners	364,589	263,909
- user rates (consolidated entities)	108,500	62,308
Recovered from reserves and reserve funds	<u>33,000</u>	<u>16,335</u>
	4,546,589	5,377,138
	=====	=====

4. FUTURE PRINCIPAL AND INTEREST PAYMENTS ON EXISTING NET DEBT

	Recoverable from the Revenue Fund		Recoverable from Reserve Funds	
	Principal	Interest	Principal	Interest
	\$	\$	\$	\$
1986	4,339,492	6,418,914	36,000	13,343
1987	4,054,541	5,955,353	40,000	10,072
1988	4,026,411	5,509,613	43,000	6,443
1989	4,027,606	5,053,814	26,000	2,535
1990	4,175,598	4,581,450	-	-
1991-1995	31,428,164	16,011,331	-	-
1996 onwards	4,074,529	826,593	-	-
Interest to be earned on sinking funds*	<u>-</u>	<u>4,335,872</u>	<u>-</u>	<u>-</u>
	56,126,341	48,692,940	145,000	32,393
	=====	=====	=====	=====

* Includes interest to be earned on Ministry of the Environment debt retirement funds.

5. FUTURE PRINCIPAL PAYMENTS ON EXPECTED NEW DEBT

1986	-
1987	941,000
1988	1,665,000
1989	2,176,000
1990	<u>2,847,000</u>
	7,629,000
	=====

THE CORPORATION OF THE CITY OF HAMILTON

RESERVE AND RESERVE FUNDS

STATEMENT OF CONTINUITY AND ANALYSIS OF YEAR-END POSITION for the year ended December 31, 1985

	1985 \$	1984 \$
AVAILABLE AT THE BEGINNING OF THE YEAR FOR FUTURE MUNICIPAL PURPOSES	<u>45,776,005</u>	<u>49,352,502</u>
REVENUE		
Contributions from revenue fund	9,529,093	9,895,144
Contributions from capital fund	658,675	1,845,878
Lot levies and subdivider contributions	541,391	605,761
Recreational Land (The Planning Act)	650,755	-
Investment income - from own funds	1,555,178	2,495,731
- other	215,424	-
Ontario Home Renewal Plan - grants	-	-
- interest	-	63,202
Proceeds from fees, service charges, etc.	13,450	19,386
Proceeds from sale of lands	2,741,454	396,101
Grants - Ontario	2,149,000	3,011,319
Other	<u>1,508,884</u>	<u>951,593</u>
	<u>19,563,304</u>	<u>19,284,115</u>
EXPENDITURE		
Transfers to capital fund	10,553,543	16,341,680
Transfers to revenue fund	1,282,552	1,848,851
Charges for long-term liabilities	49,335	49,050
Transfer of Ontario Home Renewal Plan to trust fund	2,934,427	-
Ontario Home Renewal Plan		
- loans forgiven	-	132,856
- direct charges for administration	-	15,446
Purchase of property	717,703	1,857,001
Purchase of equipment and vehicles	611,872	-
Other	<u>2,952,150</u>	<u>2,615,728</u>
	<u>19,101,582</u>	<u>22,860,612</u>
BALANCE AT THE END OF THE YEAR FOR:		
Reserves	35,075,037	31,931,576
Reserve Funds	<u>11,162,690</u>	<u>13,844,429</u>
	<u>46,237,727</u>	<u>45,776,005</u>
	=====	=====

THE CORPORATION OF THE CITY OF HAMILTON

TRUST FUNDS

CONSOLIDATED STATEMENT OF CONTINUITY for the year ended December 31, 1985

	<u>Total</u>	<u>Hamilton Cemeteries Perpetual Care</u>	<u>Hamilton Cemeteries Pre-Need Assurance</u>	<u>McLaren House Scholarship</u>
	\$	\$	\$	\$
Balance at the beginning of the year	<u>2,931,625</u>	<u>2,072,542</u>	<u>149,219</u>	<u>1,131</u>
Capital receipts				
Transfer from Reserve Fund	2,934,426	-	-	-
Cemetery lots and interments	129,973	113,185	16,788	-
Interest earned	356,018	184,947	12,927	101
Other revenue	41,542	-	248	-
Transfer from other fund	<u>62,570</u>	<u>4,402</u>	<u>27</u>	<u>-</u>
	<u>3,524,529</u>	<u>302,534</u>	<u>29,990</u>	<u>101</u>
Expenditure				
Transfer to revenue fund	275,699	184,947	12,927	-
Other	175,887	-	279	87
Transfer to other fund	<u>13,606</u>	<u>1,509</u>	<u>12,097</u>	<u>-</u>
	<u>465,192</u>	<u>186,456</u>	<u>25,303</u>	<u>87</u>
Balance at the end of the year	<u>5,990,962</u> =====	<u>2,188,620</u> =====	<u>153,906</u> =====	<u>1,145</u> =====

THE CORPORATION OF THE CITY OF HAMILTON

TRUST FUNDS

CONSOLIDATED STATEMENT OF CONTINUITY - (Continued) for the year ended December 31, 1985

	Museum Acquisition Historical Board \$	Children's Museum Gage Park \$	F. Waldon Dundurn Castle \$	F. Waldon Library Bequest \$	Whitehern Rentals \$
Balance at the beginning of the year	<u>13,049</u>	<u>5,717</u>	<u>2,399</u>	<u>28,293</u>	<u>-</u>
Capital receipts					
Transfer from Reserve Fund	-	-	-	-	-
Cemetery lots and interments	-	-	-	-	-
Interest earned	808	383	148	2,363	20
Other revenue	142	8,339	-	-	104
Transfer from other fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>271</u>
	<u>950</u>	<u>8,722</u>	<u>148</u>	<u>2,363</u>	<u>395</u>
Expenditure					
Transfer to revenue fund	-	-	-	-	-
Other	-	11,855	-	-	-
Transfer to other fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>11,855</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at the end of the year	<u>13,999</u> =====	<u>2,584</u> =====	<u>2,547</u> =====	<u>30,656</u> =====	<u>395</u> =====

THE CORPORATION OF THE CITY OF HAMILTON

TRUST FUNDS

CONSOLIDATED STATEMENT OF CONTINUITY - (Continued) for the year ended December 31, 1985

	Mable Waldon Thompson Estate - <u>Library</u> \$	Special Gift Fund Central <u>Library</u> \$	Balfour Estate <u>\$</u>	Hamilton Historic Board Furnishing <u>Restoration</u> \$
Balance at the beginning of the year	<u>10,073</u>	<u>411,588</u>	<u>10,010</u>	<u>2,811</u>
Capital receipts				
Transfer from Reserve Fund	-	-	-	-
Cemetery lots and interments	-	-	-	-
Interest earned	840	19,652	534	197
Other revenue	-	9,158	14,750	966
Transfer from other fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>840</u>	<u>28,810</u>	<u>15,284</u>	<u>1,163</u>
Expenditure				
Transfer to revenue fund	-	67,342	-	-
Other	-	18,755	12,142	81
Transfer to other fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>86,097</u>	<u>12,142</u>	<u>81</u>
Balance at the end of the year	<u>10,913</u> =====	<u>354,301</u> =====	<u>13,152</u> =====	<u>3,893</u> =====

THE CORPORATION OF THE CITY OF HAMILTON

TRUST FUNDS

CONSOLIDATED STATEMENT OF CONTINUITY - (Continued) for the year ended December 31, 1985

	Capital Endowment Library \$	Ketha McLaren Memorial Fund \$	Senior Citizens Club - Playground Equipment \$	Ontario Home Renewal Programme \$
Balance at the beginning of the year	<u>216,984</u>	<u>2,421</u>	<u>5,388</u>	<u>-</u>
Capital receipts				
Transfer from Reserve Fund	-	-	-	2,934,426
Cemetery lots and interments	-	-	-	-
Interest earned	21,609	738	333	110,418
Other revenue	-	7,835	-	-
Transfer from other Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,870</u>
	<u>21,609</u>	<u>8,573</u>	<u>333</u>	<u>3,102,714</u>
Expenditure				
Transfer to revenue fund	10,483	-	-	-
Other	10,790	1,026	-	120,872
Transfer to other fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>21,273</u>	<u>1,026</u>	<u>-</u>	<u>120,872</u>
Balance at the end of the year	<u>217,320</u> =====	<u>9,968</u> =====	<u>5,721</u> =====	<u>2,981,842</u> =====

THE CORPORATION OF THE CITY OF HAMILTON

TRUST FUNDS

CONSOLIDATED BALANCE SHEET as at December 31, 1985

	<u>Total</u>	<u>Hamilton Cemeteries Perpetual Care</u>	<u>Hamilton Cemeteries Pre-Need Assurance</u>	<u>McLaren House Scholarship</u>
	\$	\$	\$	\$
Assets				
Cash	3,438,666	1,388,636	165,254	-
Accounts Receivable	<u>21,027</u>	<u>-</u>	<u>-</u>	<u>-</u>
	3,459,693	1,388,636	165,254	-
Deposit				
- Hamilton Foundation	<u>506,302</u>	<u>-</u>	<u>-</u>	<u>-</u>
Investments (Note 2)				
Municipal - own	351,000	350,000	1,000	-
Other	<u>551,000</u>	<u>551,000</u>	<u>-</u>	<u>-</u>
	<u>902,000</u>	<u>901,000</u>	<u>1,000</u>	<u>-</u>
Other				
Other long term assets	1,175,204	-	-	-
Due from revenue fund	<u>63,884</u>	<u>-</u>	<u>-</u>	<u>1,145</u>
	<u>1,239,088</u>	<u>-</u>	<u>-</u>	<u>1,145</u>
	6,107,083	2,289,636	166,254	1,145
	=====	=====	=====	=====
Liabilities				
Due to revenue fund	116,121	101,016	12,348	-
Balance in fund	<u>5,990,962</u>	<u>2,188,620</u>	<u>153,906</u>	<u>1,145</u>
	6,107,083	2,289,636	166,254	1,145
	=====	=====	=====	=====

The accompanying notes are an integral part of this financial statement.

THE CORPORATION OF THE CITY OF HAMILTON

TRUST FUNDS

CONSOLIDATED BALANCE SHEET - (Continued) as at December 31, 1985

	Museum Acquisition Historical Board	Children's Museum Gage Park	F. Waldon Dundurn Castle	F. Waldon Library Bequest	Whitehern Rentals
	\$	\$	\$	\$	\$
Assets					
Cash	-	-	-	30,656	-
Accounts Receivable	-	-	-	-	-
	-	-	-	30,656	-
Deposit	-	-	-	-	-
- Hamilton Foundation	-	-	-	-	-
Investments (Note 2)					
Municipal - own	-	-	-	-	-
Other	-	-	-	-	-
	-	-	-	-	-
Other					
Other long term assets	-	-	-	-	-
Due from revenue fund	13,999	2,584	2,547	-	395
	13,999	2,584	2,547	-	395
	13,999	2,584	2,547	30,656	395
	=====	=====	=====	=====	=====
Liabilities					
Due to revenue fund	-	-	-	-	-
Balance in fund	13,999	2,584	2,547	30,656	395
	13,999	2,584	2,547	30,656	395
	=====	=====	=====	=====	=====

The accompanying notes are an integral part of this financial statement.

THE CORPORATION OF THE CITY OF HAMILTON

TRUST FUNDS

CONSOLIDATED BALANCE SHEET - (Continued) as at December 31, 1985

	Mable Waldon Thompson Estate - Library \$	Special Gift Fund Central Library \$	Balfour Estate \$	Hamilton Historic Board Furnishing Restoration \$
Assets				
Cash	10,913	42,532	-	-
Accounts Receivable	<u>-</u>	<u>6,646</u>	<u>-</u>	<u>-</u>
	10,913	49,178	-	-
Deposit				
- Hamilton Foundation	<u>-</u>	<u>292,964</u>	<u>-</u>	<u>-</u>
Investments (Note 2)				
Municipal - own	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other				
Other long term assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Due from revenue fund	<u>-</u>	<u>12,660</u>	<u>13,152</u>	<u>3,893</u>
	<u>-</u>	<u>12,660</u>	<u>13,152</u>	<u>3,893</u>
	10,913	354,802	13,152	3,893
	=====	=====	=====	=====
Liabilities				
Due to revenue fund	-	501	-	-
Balance in fund	<u>10,913</u>	<u>354,301</u>	<u>13,152</u>	<u>3,893</u>
	10,913	354,802	13,152	3,893
	=====	=====	=====	=====

The accompanying notes are an integral part of this financial statement.

THE CORPORATION OF THE CITY OF HAMILTON

TRUST FUNDS

CONSOLIDATED BALANCE SHEET - (Continued) as at December 31, 1985

	Capital Endowment Library \$	Ketha McLaren Memorial Fund \$	Senior Citizens Club - Playground Equipment \$	Ontario Home Renewal Programme \$
Assets				
Cash	-	-	-	1,800,675
Accounts Receivable	<u>13,867</u>	<u>514</u>	<u>-</u>	<u>-</u>
	<u>13,867</u>	<u>514</u>	<u>-</u>	<u>1,800,675</u>
Deposit				
- Hamilton Foundation	<u>204,500</u>	<u>8,838</u>	<u>-</u>	<u>-</u>
Investments (Note 2)				
Municipal - own	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other				
Other long term assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,175,204</u>
Due from revenue fund	<u>-</u>	<u>642</u>	<u>5,721</u>	<u>7,146</u>
	<u>-</u>	<u>642</u>	<u>5,721</u>	<u>1,182,350</u>
	<u>218,367</u>	<u>9,994</u>	<u>5,721</u>	<u>2,983,025</u>
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>
Liabilities				
Due to revenue fund	1,047	26	-	1,183
Balance - in fund	<u>217,320</u>	<u>9,968</u>	<u>5,721</u>	<u>2,981,842</u>
	<u>218,367</u>	<u>9,994</u>	<u>5,721</u>	<u>2,983,025</u>
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

The accompanying notes are an integral part of this financial statement.

THE CORPORATION OF THE CITY OF HAMILTON

TRUST FUNDS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended December 31, 1985

1. ACCOUNTING POLICIES -

Basis of Accounting -

Capital receipts and disbursements on the "Statement of Continuity" are reported on the cash basis of accounting.

2. INVESTMENTS -

The Total investments of \$902,000 (1984 - \$924,000) are recorded on the "Balance Sheet" at face value and have a market value of \$860,992 (1984 - \$796,096) at the end of the year.

3. ONTARIO HOME RENEWAL PROGRAM -

Effective January 1, 1985, amendments to regulations require that the Ontario Home Renewal Program funds be accounted for as a trust fund and no longer as a reserve fund. The 1985 transactions for this program are reflected in the financial statements of the trust funds of the Municipality.

***LOCAL BOARDS
CARRYING ON MUNICIPAL
ACTIVITIES
— FINANCIAL STATEMENTS***

THE CORPORATION OF THE CITY OF HAMILTON

THE CORPORATION OF THE CITY OF HAMILTON

THE HAMILTON PUBLIC LIBRARY BALANCE SHEET as at December 31, 1985

ASSETS	1985	1984
	\$	\$
Current		
Cash	1,000	1,150
Cash - trust funds	42,532	41,088
Term deposits - trust funds	41,569	115,000
Deposits - Hamilton Foundation	506,301	570,705
Accounts receivable	4,496	10,458
Accounts receivable - City of Hamilton	342,336	194,390
Accrued interest receivable - trust funds	21,027	18,997
Prepaid expenses	2,147	39
Gift shop inventory	5,725	5,225
	967,133	957,052
	=====	=====
LIABILITIES		
Current		
Accounts payable and accrued liabilities	86,985	74,902
Accrued liabilities - trust funds	1,574	1,434
	88,559	76,336
Trust Funds		
Special Gifts Fund	354,301	411,588
F. Waldon bequest	30,656	28,293
M. Waldon Thompson bequest	10,913	10,073
Ketha McLaren Memorial Fund	9,968	2,421
Capital Endowment	217,320	216,984
	623,158	669,359
Reserves	255,416	211,357
	967,133	957,052
	=====	=====

THE CORPORATION OF THE CITY OF HAMILTON

THE HAMILTON PUBLIC LIBRARY STATEMENT OF REVENUE AND EXPENDITURE for the year ended December 31, 1985

	1985 \$	1984 \$
EXCESS OF REVENUE OVER EXPENDITURE at the beginning of the year	-	161,157
REVENUE		
Municipal contribution	8,712,260	8,337,770
Province of Ontario grant	719,747	693,385
Regional library system contract receipts	66,368	77,494
Other income - rentals, sales and recoveries	384,723	361,673
	<u>9,883,098</u>	<u>9,470,322</u>
EXPENDITURES		
Central library administration and technical services (Schedule #1)	<u>6,452,701</u>	<u>6,363,486</u>
Library Branches		
Barton	192,243	195,253
Kenilworth	205,677	198,057
Locke	95,048	92,555
Concession	180,873	160,388
Westdale	206,370	201,942
Sherwood	264,149	242,958
Red Hill	241,909	240,788
Terryberry	435,960	415,295
Picton	143,081	131,761
Children's librarian service	73,476	85,908
	<u>2,038,786</u>	<u>1,964,905</u>
Materials and supplies		
- periodicals	132,466	119,676
- non-print materials	271,945	285,334
Total Operating Expenditure	<u>404,411</u>	<u>405,010</u>
Transfers to reserves (Note 3)	<u>895,658</u>	<u>870,450</u>
Total Expenditure	<u>9,791,556</u>	<u>9,603,851</u>
EXCESS OF REVENUE OVER EXPENDITURE	91,542	27,628
Transfer to the City of Hamilton (Note 3)	<u>(91,542)</u>	<u>(27,628)</u>
EXCESS OF REVENUE OVER EXPENDITURE CARRIED OVER INTO THE FOLLOWING YEAR	-	-
	=====	=====

THE CORPORATION OF THE CITY OF HAMILTON

THE HAMILTON PUBLIC LIBRARY

SCHEDULE # 1 OF EXPENDITURES

Central Library Administration and Technical Services
for the year ended December 31, 1985

	1985	1984
	\$	\$
Administration	1,001,379	1,143,791
Operations	683,785	684,569
Popular Collections	113,112	109,572
Audio/Visual	243,782	260,204
Boys and Girls	137,282	130,247
Quick Information	245,880	233,867
Extension Services	368,684	330,668
Special Acquisitions	186,209	179,972
Business, Science and Technology	416,467	387,752
Social Sciences and History	280,273	272,665
Fiction/Language/Literature	299,897	305,837
Fine Arts	181,878	174,024
Overdues	-	14,209
Circulation	284,782	263,811
Interlibrary loans	103,618	116,298
Reprographic	249,681	246,137
Technical Services	1,156,314	1,122,078
Automated Circulation System Implementation	409,344	364,112
Common Areas/Meeting Rooms/Staff Rooms	883	1,367
Audio Centre-Fifth Floor	15,577	14,317
Planning Process	2,006	6,601
Photocopier Services	45,037	-
Miscellaneous	26,831	1,388
	6,452,701	6,363,486
	=====	=====

THE CORPORATION OF THE CITY OF HAMILTON

THE HAMILTON PUBLIC LIBRARY NOTES TO FINANCIAL STATEMENTS for the year ended December 31, 1985

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting -

Revenue and expenditures are reported on the accrual basis of accounting which recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of a receipt of goods or services and the creation of a legal obligation to pay.

(b) Fixed Assets and Depreciation -

The land, buildings and original equipment of the Hamilton Public Library are owned by The Corporation of the City of Hamilton. Purchases of equipment and furnishings are charged either directly to operations in the year in which the expenditures occur, or to a reserve fund established for the purchase of fixed assets.

2. RESERVE BALANCES

As at December 31, the general revenue fund of the City of Hamilton has the following reserve balances which are available for use by the Hamilton Public Library Board.

	1985 \$	1984 \$
Capital expenditures	3,798	31,358
Capital projects	801,724	668,799
	805,522	700,157
	=====	=====

3. TRANSFERS TO RESERVES

	1985 \$	1984 \$
Transfers to Library accounts	895,658	870,450
Transfers to City of Hamilton accounts	91,542	27,628
	987,200	898,078
	=====	=====

THE CORPORATION OF THE CITY OF HAMILTON

THE HAMILTON PUBLIC LIBRARY BOARD STATEMENT OF RESERVES for the year ended December 31, 1985

	Total \$	Libraries Replacement of Equipment \$	Reserve for Repairs Grounds \$	Reserve for Repairs Buildings \$
BALANCE AT DECEMBER 31, 1984	211,357	49,694	7,978	40,984
REVENUE				
Contributions from revenue fund	895,658	5,000	7,920	25,200
Donations and other	41,948	-	-	-
	937,606	5,000	7,920	25,200
EXPENDITURE				
Replacement or repairs	65,282	-	2,490	-
Purchase of books	828,265	-	-	-
	893,547	-	2,490	-
BALANCE AT DECEMBER 31, 1985	255,416	54,694	13,408	66,184
	=====	=====	=====	=====

THE CORPORATION OF THE CITY OF HAMILTON

THE HAMILTON PUBLIC LIBRARY BOARD STATEMENT OF RESERVES - (Continued) for the year ended December 31, 1985

	Reserve for Replacement of Films \$	Reserve for Replacement of Photocopier \$	Reserve for Automated Acquisition System \$
BALANCE AT DECEMBER 31, 1984	12,698	20,000	10,000
REVENUE			
Contributions from revenue fund	-	20,000	-
Donations and other	41,481	-	-
	41,481	20,000	-
EXPENDITURE			
Replacement or repairs	26,313	-	-
Purchase of books	-	-	-
	26,313	-	-
BALANCE AT DECEMBER 31, 1985	27,866	40,000	10,000
	=====	=====	=====

THE CORPORATION OF THE CITY OF HAMILTON

THE HAMILTON PUBLIC LIBRARY BOARD STATEMENT OF RESERVES - (Continued) for the year ended December 31, 1985

	Reserve for Purchase of Books \$	Reserve for Miscellaneous Collections \$	Reserve for Office Computerization \$
BALANCE AT DECEMBER 31, 1984	16,158	23,845	30,000
REVENUE			
Contributions from revenue fund	828,265	9,273	-
Donations and other	417	50	-
	828,682	9,323	-
EXPENDITURE			
Replacement or repairs	-	6,479	30,000
Purchase of books	828,265	-	-
	828,265	6,479	30,000
BALANCE AT DECEMBER 31, 1985	16,575	26,689	-
	=====	=====	=====

THE CORPORATION OF THE CITY OF HAMILTON



MUNICIPAL ENTERPRISES — FINANCIAL STATEMENTS

THE CORPORATION OF THE CITY OF HAMILTON



THE CORPORATION OF THE CITY OF HAMILTON

HAMILTON PLACE CONVENTION CENTRE

BALANCE SHEET

as at December 31, 1985

	1985 \$	1984 \$
ASSETS		
Current		
Imprest funds	3,500	2,000
Bank	101	119
Accounts receivable	214,328	131,905
Inventories (note 1)	77,673	73,299
Prepaid insurance	<u>6,367</u>	<u>5,894</u>
	301,969	213,217
	=====	=====
LIABILITIES		
Current		
Accounts payable	81,310	106,636
Sales tax payable	22,826	12,460
Deposits on future rentals	53,526	62,540
Due to the City of Hamilton	<u>144,307</u>	<u>31,581</u>
	301,969	213,217
	=====	=====

The accompanying notes are an integral part of this financial statement.

THE CORPORATION OF THE CITY OF HAMILTON

HAMILTON PLACE CONVENTION CENTRE

STATEMENT OF REVENUE AND EXPENDITURE for the year ended December 31, 1985

	1985 \$	1984 \$
REVENUE		
Net contributions from food and beverage operations (Schedule #1)	378,627	274,051
Rentals	335,259	327,348
Other	<u>49,758</u>	<u>53,649</u>
	<u>763,644</u>	<u>655,048</u>
EXPENDITURE		
Administration		
Salaries and wages	259,543	256,137
Employee benefits	40,463	37,958
Postage	2,438	2,300
Telephone	17,497	16,797
Memberships and subscriptions	2,151	1,890
Supplies	5,248	5,367
Rental of equipment	10,284	13,118
Purchase of equipment and furnishings	1,562	531
Legal and audit	10,318	63,472
Provision for doubtful accounts	(594)	1,251
Information desk and cigarette sales		
- net	23,837	17,376
Sundry	<u>3,690</u>	<u>4,418</u>
	<u>376,437</u>	<u>420,615</u>

THE CORPORATION OF THE CITY OF HAMILTON

HAMILTON PLACE CONVENTION CENTRE

STATEMENT OF REVENUE AND EXPENDITURE - (Continued) for the year ended December 31, 1985

	1985 \$	1984 \$
Maintenance		
Salaries and wages	24,374	21,420
Employee benefits	4,412	4,101
Security	81,494	77,815
Janitorial services	59,693	54,252
Insurance	30,076	28,384
Supplies	9,569	7,204
Water and sewer rates	5,918	7,457
Repairs and maintenance	179,702	148,680
Garbage disposal	3,301	2,247
Sundry	1,065	1,355
	<u>399,604</u>	<u>352,915</u>
Marketing and Promotion		
Salaries and wages	93,326	67,041
Employee benefits	14,186	13,110
Entertainment	2,316	1,622
Travelling and car allowance	12,230	6,337
Advertising	46,159	59,249
Memberships and subscriptions	890	1,058
Sundry	303	163
	<u>169,410</u>	<u>148,580</u>
	<u>945,451</u>	<u>922,110</u>
Excess of (Expenditure over Revenue) on Operations	(181,807)	(267,062)
Contribution from the City of Hamilton	<u>398,360</u>	<u>472,510</u>
EXCESS REVENUE OVER EXPENDITURE	216,553	205,448
TRANSFER TO CITY OF HAMILTON (Note 2)	<u>216,553</u>	<u>205,448</u>
	-	-
	=====	=====

The accompanying notes are an integral part of this financial statement.

THE CORPORATION OF THE CITY OF HAMILTON

HAMILTON PLACE CONVENTION CENTRE

SCHEDULE #1 - FOOD AND BEVERAGE OPERATIONS for the year ended December 31, 1985

	1985 \$	1984 \$
Sales - Beverage	496,700	439,913
Cost of sales	<u>162,585</u>	<u>143,583</u>
Gross margin	<u>334,115</u>	<u>296,330</u>
Percentage	<u>67.3%</u>	<u>67.4%</u>
Sales - Food	1,206,146	937,131
Cost of sales	<u>400,416</u>	<u>313,730</u>
Gross margin	<u>805,730</u>	<u>623,401</u>
Percentage	<u>66.8%</u>	<u>66.5%</u>
TOTAL SALES - Beverage and Food	1,702,846	1,377,044
Cost of sales	<u>563,001</u>	<u>457,313</u>
Gross margin	<u>1,139,845</u>	<u>919,731</u>
OPERATING COSTS		
Salaries and wages	545,353	468,563
Employee benefits	63,562	58,487
Laundry and rental of uniforms	53,046	43,596
Supplies	83,802	62,714
Rental of equipment - net	1,872	754
Repairs and maintenance of equipment	12,991	11,116
Sundry	<u>592</u>	<u>450</u>
	<u>761,218</u>	<u>645,680</u>
NET CONTRIBUTION	378,627 =====	274,051 =====

THE CORPORATION OF THE CITY OF HAMILTON

HAMILTON PLACE CONVENTION CENTRE

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 1985

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Inventories -

Inventories are valued at the lower of cost on a first-in, first-out or replacement value.

(b) Fixed Assets and Depreciation -

The land, buildings and original equipment of the Convention Centre are owned by the Corporation of the City of Hamilton. Purchases of equipment and furnishings are charged either directly to operations in the year in which the expenditures occur, or to a reserve fund established for the purchase of fixed assets.

2. TRANSFER TO CITY OF HAMILTON

The excess of revenue over expenditure for the year has been returned to the City of Hamilton and is normally designated for the Convention Centre Reserve for Capital Projects in the general revenue fund of the City of Hamilton. These funds and interest earned thereon will be used to finance major building repairs, purchase of equipment or replacement thereof.

3. CORPORATE STRUCTURE

On December 18, 1985, the Hamilton Place Convention Centre, Inc. was dissolved. The assets and liabilities were transferred to the Hamilton Entertainment and Convention Facilities Inc. which now operates Hamilton Place, the Hamilton Convention Centre, Copps Coliseum and the Central Utilities Plant.

The activities of the Hamilton Place Convention Centre, Inc. were carried on separately until December 31, 1985. Accordingly, these financial statements present the operations of the Hamilton Place Convention Centre, Inc. for the year January 1, 1985 to December 31, 1985 inclusive.

THE CORPORATION OF THE CITY OF HAMILTON

THE HAMILTON PERFORMING ARTS CORPORATION, INC.

(operating and managing Hamilton Place)

BALANCE SHEET

as at December 31, 1985

	1985	1984
	\$	\$
ASSETS		
Current		
Imprest funds	4,000	4,000
Cash in Bank	402,775	-
Short term deposits	720,000	490,000
Accounts receivable	375,859	152,473
Deferred charges	81,939	43,008
Inventory	12,921	19,569
	<u>1,597,494</u>	<u>709,050</u>
	=====	=====
LIABILITIES		
Current		
Bank overdraft	-	23,194
Accounts payable and accruals	110,886	182,402
Due to the City of Hamilton	1,100,856	137,101
Advance ticket sales	181,093	232,668
Unredeemed gift certificates	99,210	94,035
	<u>1,492,045</u>	<u>669,400</u>
Reserves (note 3)	<u>105,449</u>	<u>39,650</u>
	<u>1,597,494</u>	<u>709,050</u>
	=====	=====

The accompanying notes are an integral part of this financial statement.

THE CORPORATION OF THE CITY OF HAMILTON

THE HAMILTON PERFORMING ARTS CORPORATION, INC. (operating and managing Hamilton Place) STATEMENT OF REVENUE AND EXPENDITURE for the year ended December 31, 1985

	1985 \$	1984 \$
EXCESS OF (EXPENDITURE OVER REVENUE) at the beginning of the year	-	(80,419)
REVENUE		
Show revenue and rentals (Note 2(a))		
Great Hall	343,649	252,518
Studio Theatre	65,009	68,029
Bar operations - net	114,546	103,793
Box office charges	196,473	125,032
North Annex operation - net	19,654	16,520
Mailing list	40,555	39,495
Investment interest	40,792	25,971
Other income	107,446	95,164
	<u>928,124</u>	<u>726,522</u>
EXPENDITURE		
Operating		
Administration	499,865	474,455
Box office	168,947	138,126
Maintenance and utilities	222,130	223,744
Security	53,537	52,472
Front of house	121,101	100,101
Bars	64,839	65,933
North annex	3,809	5,793
Public relations	179,705	173,248
Stage services	150,050	162,678
	<u>1,463,983</u>	<u>1,396,550</u>
EXCESS OF (EXPENDITURE OVER REVENUE) FROM OPERATIONS	(535,859)	(670,028)
Contribution from the City of Hamilton	<u>829,341</u>	<u>835,974</u>
EXCESS OF REVENUE OVER EXPENDITURE	293,482	85,527
Appropriations for Reserves	<u>56,263</u>	<u>4,000</u>
EXCESS OF REVENUE OVER EXPENDITURE/ (EXPENDITURE OVER REVENUE) FOR THE YEAR	237,219	81,527
Transfer to the City of Hamilton	<u>237,219</u>	<u>81,527</u>
	<u>=====</u>	<u>=====</u>

The accompany notes are an integral part of this financial statement.

THE CORPORATION OF THE CITY OF HAMILTON

THE HAMILTON PERFORMING ARTS CORPORATION, INC.

(operating and managing Hamilton Place)

NOTES TO FINANCIAL STATEMENTS

for the year ended December 31, 1985

1. INCORPORATION

The Hamilton Performing Arts Corporation, Inc. was incorporated without share capital under the laws of the Province of Ontario by the City of Hamilton to maintain and operate Hamilton Place in the public interest.

2. ACCOUNTING POLICIES

(a) Show Revenue and Rentals -

Show revenue and rentals comprise minimum rental fees, negotiated percentages of box office receipts and receipts less direct production expenses when Hamilton Place acts as a promoter or co-promoter.

Revenues exclude the capital improvement ticket surcharge which is designated for the Hamilton Place Reserve for Capital Projects and transferred quarterly to the City of Hamilton (Note 5).

(b) Inventory -

Inventory is valued at actual cost.

(c) Fixed Assets and Depreciation -

The land, buildings and original equipment of Hamilton Place are owned by The Corporation of the City of Hamilton. Purchases of equipment and furnishings are charged either directly to operations in the year in which the expenditures occur, or to a reserve fund established for the purchase of fixed assets.

(d) Reserves -

Appropriations for reserves are included as expenditures. Payments relating to the functional purpose of the reserves are charged directly to the reserves.

The accompanying financial statements do not include the activities of a related corporation, the Hamilton Performing Arts Foundation Inc.

THE CORPORATION OF THE CITY OF HAMILTON

THE HAMILTON PERFORMING ARTS CORPORATION, INC.
(operating and managing Hamilton Place)
NOTES TO FINANCIAL STATEMENTS - (Continued)
for the year ended December 31, 1985

3. CONTINUITY OF RESERVES

	1985 \$	1984 \$
Balance at beginning of year	<u>39,650</u>	<u>15,703</u>
Add - provisions during the year	5,500	5,500
- appropriations at year end	56,263	4,000
- miscellaneous receipts	<u>5,346</u>	<u>14,991</u>
	<u>67,109</u>	<u>24,491</u>
	<u>106,759</u>	<u>40,194</u>
Less - purchase of fixed assets	-	-
- innovated programming	-	-
- other expenditures	<u>1,310</u>	<u>544</u>
	<u>1,310</u>	<u>544</u>
Balance at end of year	<u>105,449</u> =====	<u>39,650</u> =====
Individual reserves at year end -		
Specific projects	30,449	23,359
Innovative programming	<u>75,000</u>	<u>16,291</u>
	<u>105,449</u> =====	<u>39,650</u> =====

4. TRANSFER TO THE CITY OF HAMILTON

The excess revenue over expenditure for the year has been returned to the City of Hamilton and is designated for the Hamilton Place Reserve for Capital Projects. These funds and interest earned thereon are used to finance major building repairs and equipment replacement.

5. CAPITAL IMPROVEMENT FUND SURCHARGE

During the year, an amount of \$131,287 was collected in ticket surcharges for the Capital Improvement Fund.

6. CORPORATE STRUCTURE

On December 18, 1985, the Hamilton Performing Arts Corporation, Inc. was dissolved. The assets and liabilities were transferred to the Hamilton Entertainment and Convention Facilities Inc. which now operates Hamilton Place, the Hamilton Convention Centre, Copps Coliseum and the Central Utilities Plant.

The activities of the Hamilton Performing Arts Corporation, Inc. were carried on separately until December 31, 1985. Accordingly, these financial statements present the operation of the Hamilton Performing Arts Corporation, Inc. for the year January 1, 1985 to December 31, 1985, inclusive.

THE CORPORATION OF THE CITY OF HAMILTON

THE PARKING AUTHORITY OF THE CITY OF HAMILTON BALANCE SHEET as at December 31, 1985

	1985 \$	1984 \$
ASSETS		
Current		
Cash	3,695	2,975
Accounts Receivable - City of Hamilton	58,158	47,481
- Other	<u>2,776</u>	<u>2,627</u>
	64,629	53,083
Capital Outlay, at net long term liabilities outstanding, to be recovered in future years from operations	<u>643,000</u>	<u>751,500</u>
TOTAL ASSETS	<u>707,629</u> =====	<u>804,583</u> =====
LIABILITIES		
Current		
Accounts payable	64,629	53,083
Net Long Term		
Due to the capital fund of the City of Hamilton	<u>643,000</u>	<u>751,500</u>
TOTAL LIABILITIES	<u>707,629</u> =====	<u>804,583</u> =====

THE CORPORATION OF THE CITY OF HAMILTON

THE PARKING AUTHORITY OF THE CITY OF HAMILTON

STATEMENT OF OPERATIONS

for the year ended December 31, 1985

	1985 \$	1984 \$
REVENUE		
Parking fees		
Off-street parking lots	1,310,157	1,160,155
Urban renewal lots	17,996	18,616
Other parking areas	90,666	78,756
Underground garage	839,138	690,554
Unclassified	(853)	10,484
Administrative costs recovered	71,085	59,094
TOTAL REVENUE	<u>2,328,189</u>	<u>2,017,659</u>
EXPENDITURE		
Direct		
Off-street parking lots	923,441	808,283
Urban renewal lots	10,374	6,099
Other parking areas	140,213	124,557
Underground garage	710,436	668,158
	<u>1,784,464</u>	<u>1,607,097</u>
Indirect		
Administration	201,627	185,167
General operating	109,024	120,394
	<u>310,651</u>	<u>305,561</u>
TOTAL EXPENDITURE	<u>2,095,115</u>	<u>1,912,658</u>
NET OPERATING PROFIT	233,074	105,001
CHARGES FOR LONG TERM LIABILITY		
Principal	108,500	101,500
Interest	62,308	70,814
NET PROFIT/(LOSS)	62,266	(67,313)
	=====	=====
DISPOSITION OF NET PROFIT/(LOSS)		
Reserve for off-street parking	(24,511)	(56,425)
Urban renewal partnership	7,622	12,517
City of Hamilton	36,555	(30,818)
Ministry of Government Services	42,600	7,413
	<u>62,266</u>	<u>(67,313)</u>
	=====	=====

THE CORPORATION OF THE CITY OF HAMILTON

THE PARKING AUTHORITY OF THE CITY OF HAMILTON

NOTES TO THE FINANCIAL STATEMENTS for the year ended December 31, 1985

1. ACCOUNTING POLICIES

(a) Fixed Assets

The historical cost and accumulated depreciation of fixed assets is not reported. Instead, the "capital outlay to be recovered in future years", which is the aggregate of the principal portion of unmatured long-term liabilities and the cost of capital projects not yet permanently financed, is reported on the balance sheet. Fixed assets purchased from revenues of the current year are charged directly to operations.

(b) Debt Charges

Debt retirement costs, including principal and interest are charged against current revenues in the period in which they are paid. Interest charges are not accrued for the periods from the dates of the latest interest payments to the end of the financial year.

2. TITLE TO FIXED ASSETS

The title to the fixed assets used by the Authority vests in the Municipality. The cost of land, buildings and equipment to date is:

1985	1984
\$	\$
14,369,864	14,281,594
=====	=====

3. RESERVES BALANCES

As at December 31, the general revenue fund of the City of Hamilton has the following reserve balances which are available for use by the Parking Authority:

	1985	1984
	\$	\$
Replacement of equipment	47,357	39,569
Major repairs to mobile equipment	<u>8,026</u>	<u>6,503</u>
	55,383	46,072
	=====	=====

FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31.12.2010

	2010	2009
Revenue	1,000,000	1,000,000
Expenses	(1,000,000)	(1,000,000)
Surplus	0	0
Assets	1,000,000	1,000,000
Liabilities	(1,000,000)	(1,000,000)
Equity	0	0

FINANCIAL STATEMENTS

	2010	2009
Revenue	1,000,000	1,000,000
Expenses	(1,000,000)	(1,000,000)
Surplus	0	0

OTHER – FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

The financial statements of the Corporation of the City of Hamilton for the year ended 31.12.2010 are presented in accordance with the provisions of the Financial Reporting Act, 1997. The financial statements are prepared on a basis of accrual accounting and are subject to audit by the Auditor General of Canada. The financial statements are prepared in accordance with the provisions of the Financial Reporting Act, 1997.

FINANCIAL STATEMENTS

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FINANCIAL STATEMENTS

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THE CORPORATION OF THE CITY OF HAMILTON

THE CORPORATION OF THE CITY OF HAMILTON

CONCESSION STREET BUSINESS IMPROVEMENT AREA

BALANCE SHEET as at December 31, 1985

	1985 \$	1984 \$
ASSETS		
Current		
Cash	-	2,470
BIA levies receivable	1,978	525
Grant receivable	1,000	-
Prepaid expenses	150	-
	<u>3,128</u>	<u>2,995</u>
	=====	=====
LIABILITIES AND MEMBERS' EQUITY		
Current		
Bank overdraft	881	-
Accrued liabilities	200	200
Accounts payable - City of Hamilton	1,376	275
	<u>2,457</u>	<u>475</u>
MEMBERS' EQUITY	<u>671</u>	<u>2,520</u>
	<u>3,128</u>	<u>2,995</u>
	=====	=====

NOTES TO FINANCIAL STATEMENTS for the year ended December 31, 1985

1. BASIS OF ACCOUNTING

Revenue and expenditure are recorded on the accrual basis. The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

2. FIXED ASSETS

The historical cost and accumulated depreciation for fixed assets are not recorded. Fixed assets are reported as expenditures in the year of acquisition.

3. COMPARATIVE FIGURES

Certain comparative figures for 1984 have been restated to agree with the financial statement presentation adopted for 1985.

THE CORPORATION OF THE CITY OF HAMILTON

CONCESSION STREET BUSINESS IMPROVEMENT AREA

STATEMENT OF REVENUE AND EXPENDITURE AND MEMBERS' EQUITY

for the year ended December 31, 1985

	1985 \$	1984 \$
REVENUE		
B.I.A. assessment levy	12,458	12,250
Government grants	1,000	2,170
Homecoming 1984	304	2,275
Other	<u>3,490</u>	<u>582</u>
	<u>17,252</u>	<u>17,277</u>
EXPENDITURE		
Promotion	4,580	2,912
Christmas decorations	8,970	6,482
Homecoming 1984	3,997	2,092
Newsletter	206	254
Wages	-	1,543
Office supplies	211	401
Audit fees	200	200
Rent	-	100
Insurance	267	225
Bank charges	50	18
Miscellaneous	<u>620</u>	<u>530</u>
	<u>19,101</u>	<u>14,757</u>
EXCESS OF (EXPENDITURE OVER REVENUE)/REVENUE OVER EXPENDITURE	(1,849)	2,520
MEMBERS' EQUITY - Balance at the beginning of the year	<u>2,520</u>	<u>-</u>
MEMBERS' EQUITY - Balance at the end of the year	671 =====	2,520 =====

THE CORPORATION OF THE CITY OF HAMILTON

DOWNTOWN HAMILTON BUSINESS IMPROVEMENT AREA

BALANCE SHEET as at December 31, 1985

	1985 \$	1984 \$
ASSETS		
Current		
Cash	9,541	13,257
Prepaid expenses	104	104
Short-term deposits	23,733	10,678
Accounts receivable	4,828	4,910
B.I.A. assessment levy receivable	<u>12,604</u>	<u>6,296</u>
	50,810	35,245
	=====	=====
LIABILITIES AND MEMBERS' EQUITY		
Current		
Accounts payable and accrued liabilities	25,322	17,414
Accounts payable - City of Hamilton	9,706	5,451
Deferred grant revenue	<u>-</u>	<u>3,085</u>
	35,028	25,950
MEMBERS' EQUITY	<u>15,782</u>	<u>9,295</u>
	50,810	35,245
	=====	=====

NOTES TO FINANCIAL STATEMENTS for the year ended December 31, 1985

1. BASIS OF ACCOUNTING

Revenue and expenditure are recorded on the accrual basis. The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

2. FIXED ASSETS

The historical cost and accumulated depreciation for fixed assets are not recorded. Fixed assets are reported as expenditures in the year of acquisition.

THE CORPORATION OF THE CITY OF HAMILTON

DOWNTOWN HAMILTON BUSINESS IMPROVEMENT AREA

STATEMENT OF REVENUE AND EXPENDITURE AND MEMBERS' EQUITY

for the year ended December 31, 1985
(with comparative figures for 1984 - 11 months)

	1985 \$	1984 \$
REVENUE		
B.I.A. assessment levy	123,547	115,183
Government grants	10,499	9,299
Dining guide	1,740	-
Promenade review	-	762
Fashion show	1,443	1,397
Fit day	800	-
Interest	1,693	1,063
Grant from City re Christmas lights	1,000	3,500
Other	-	151
	<u>140,722</u>	<u>131,355</u>
EXPENDITURE		
Professional fees	33,716	31,750
Employees wages	7,231	4,121
Administration	5,575	6,638
Promotion	80,825	66,520
Communication	2,496	1,438
Planning and development	-	4,513
Beautification	4,366	11,695
Allowance for uncollectible levies	-	5,000
Service charges	26	36
	<u>134,235</u>	<u>131,711</u>
EXCESS OF REVENUE OVER EXPENDITURE/ (EXPENDITURE OVER REVENUE)	6,487	(356)
MEMBERS' EQUITY - Balance at the beginning of the year	<u>9,295</u>	<u>9,651</u>
MEMBERS' EQUITY - Balance at the end of the year	<u>15,782</u> =====	<u>9,295</u> =====



Spicer MacGillivray

Chartered Accountants

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CABLE: ESSANO HAMILTON

AUDITORS' REPORT

To the Board of Directors of
The Hamilton and Scourge Foundation, Inc.

We have examined the balance sheet of The Hamilton and Scourge Foundation, Inc., as at December 31, 1985 and the statement of revenue and expenditure and accumulated deficit for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Foundation as at December 31, 1985 and the results of its operations for the year then ended in accordance with the accounting principles set out in the notes to the financial statements applied on a basis consistent with that of the preceding year.

SPICER MACGILLIVRAY
Chartered Accountants
Municipal Licence No. 1105

Hamilton, Ontario
March 13, 1986

THE CORPORATION OF THE CITY OF HAMILTON

THE HAMILTON AND SCOURGE FOUNDATION, INC.

BALANCE SHEET as at December 31, 1985

	1985 \$	1984 \$
ASSETS		
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
	=====	=====
LIABILITIES		
Current		
Loan payable - City of Hamilton (Note 2)	<u>72,013</u>	<u>74,709</u>
Accumulated deficit	<u>(72,013)</u>	<u>(74,709)</u>
	<u>-</u>	<u>-</u>
	=====	=====

The accompanying notes are an integral part of this financial statement.

THE CORPORATION OF THE CITY OF HAMILTON

THE HAMILTON AND SCOURGE FOUNDATION, INC.

STATEMENT OF REVENUE AND EXPENDITURE for the year ended December 31, 1985

	1985 \$	1984 \$
ACCUMULATED DEFICIT at the beginning of the year	<u>(74,709)</u>	<u>(62,495)</u>
REVENUE		
Donations	5,383	10,181
Government of Canada	-	500
Province of Ontario	13,500	3,000
Miscellaneous	<u>342</u>	<u>9,480</u>
	<u>19,225</u>	<u>23,161</u>
EXPENDITURE		
General operating		
Purchase of "Ghost Ships" books	-	1,804
Insurance	-	178
Preparation of exhibits and displays	-	101
Posters	-	197
Travel	-	1,186
General	8,786	9,590
Underwater photography project	-	904
Interpretive Centre	-	4,837
Project expenses - Wintario	1,965	-
Naval cemetery	5,778	15,647
Book publishing	<u>-</u>	<u>931</u>
	<u>16,529</u>	<u>35,375</u>
EXCESS OF REVENUE OVER EXPENDITURE/ (EXPENDITURE OVER REVENUE) FROM OPERATIONS	<u>2,696</u>	<u>(12,214)</u>
ACCUMULATED DEFICIT at the end of the year	<u>(72,013)</u> =====	<u>(74,709)</u> =====

THE CORPORATION OF THE CITY OF HAMILTON

THE HAMILTON AND SCOURGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS for the year ended December 31, 1985

1. SIGNIFICANT ACCOUNTING POLICIES

- (a) The financial statements were prepared on an accrual basis.
- (b) Donations in kind have not been included in the financial statements.
- (c) All expenditures on fixed assets have been expensed for the purpose of these financial statements.

2. LOAN PAYABLE

On May 25, 1982, the Council of the City of Hamilton approved a loan to the Hamilton and Scourge Foundation for an amount of \$75,000. The loan is structured such that all amounts paid by the City, in excess of the Foundation's deposits in the City's Treasury, shall be deemed to be loaned to the Foundation. The loan is interest free and due on demand.

3. FINANCIAL REPORTING

The financial statements do not include the accounts of the Hamilton and Scourge projects. The revenues and expenditures form part of the current operating revenues and expenditures of the City of Hamilton.

4. COMPARATIVE REPORTING

Certain comparative figures for 1984 have been restated to agree with the financial statement presentation adopted for 1985.



Spicer MacGillivray

Chartered Accountants

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CABLE: ESSANO HAMILTON

AUDITORS' REPORT

To the Shareholders of
Hamilton Housing Company Limited

We have examined the balance sheet of Hamilton Housing Company Limited as at December 31, 1985 and the statements of revenue and expenditure and reserves for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

On our opinion, these financial statements present fairly the financial position of the Company as at December 31, 1985 and the results of its operations for the year then ended in accordance with accounting principles set out in the notes to the financial statements, applied on a basis consistent with that of the preceding year.

Spicer MacGillivray

Hamilton Ontario
April 4, 1986

SPICER MACGILLIVRAY
Chartered Accountants
Municipal Licence No. 1105

THE CORPORATION OF THE CITY OF HAMILTON

HAMILTON HOUSING COMPANY LIMITED

(which owns and operates Macassa Park Apartments
and Ada Pritchard Court Apartments for Senior Citizens)

BALANCE SHEET

as at December 31, 1985

	1985	1984
	\$	\$
ASSETS		
Current		
Due from City of Hamilton revenue fund	<u>83,183</u>	<u>107,796</u>
Fixed		
Land	20,200	20,200
Building	391,291	391,291
Equipment	<u>17,976</u>	<u>17,976</u>
	429,467	429,467
Less - accumulated depreciation	<u>109,756</u>	<u>102,221</u>
	<u>319,711</u>	<u>327,246</u>
	<u>402,894</u>	<u>435,042</u>
	=====	=====
LIABILITIES		
Current		
Accounts payable	-	866
Tenants' guarantee deposits	<u>40</u>	<u>40</u>
	<u>40</u>	<u>906</u>
Mortgage Payable (Note 2)		
Central Mortgage and Housing Corporation -		
Macassa Park Apartments, 3-3/4%,		
maturing 1997	32,310	34,408
Ada Pritchard Court Apartments, 5-7/8%,		
maturing 2001	<u>147,434</u>	<u>152,871</u>
	<u>179,744</u>	<u>187,279</u>
Reserves		
Reserve for building repairs and		
Improvements	51,220	106,890
Reserve for Operations	<u>31,923</u>	<u>-</u>
	<u>83,143</u>	<u>106,890</u>
Equity		
Capital stock		
Authorized -		
2,000 shares without par value		
(Dividends limited to \$2.50		
per share) \$100,000		
	=====	
Stated -		
1,190 shares at \$50	<u>59,500</u>	<u>59,500</u>
Capital surplus -		
Province of Ontario - subsidies	30,500	30,500
City of Hamilton - grants	31,700	31,700
Capital cost of projects financed		
from operations	<u>18,267</u>	<u>18,267</u>
	<u>80,467</u>	<u>80,467</u>
Total Equity	<u>139,967</u>	<u>139,967</u>
	<u>402,894</u>	<u>435,042</u>
	=====	=====

THE CORPORATION OF THE CITY OF HAMILTON

HAMILTON HOUSING COMPANY LIMITED

(which owns and operates Macassa Park Apartments
and Ada Pritchard Apartments for Senior Citizens)

STATEMENT OF REVENUE AND EXPENDITURE for the year ended December 31, 1985

	1985 \$	1984 \$
REVENUE		
Rentals - apartments	127,970	111,303
- laundry equipment	2,441	2,229
City of Hamilton - contribution	29,831	37,722
Province of Ontario - contribution	<u>36,212</u>	<u>39,062</u>
	<u>196,454</u>	<u>190,316</u>
EXPENDITURES		
Operating expenses		
Wages - caretaker	24,069	23,038
Insurance	998	955
Realty taxes	40,705	38,156
Water rates	3,918	3,325
Light and power	11,083	10,428
Heating	18,114	18,325
Cable T.V.	3,562	3,238
Maintenance - grounds	18,724	17,266
- buildings	9,757	13,039
Administration fee	10,764	12,450
Window cleaning	1,295	1,234
Rental - laundry equipment	2,190	2,104
Cleaning supplies	800	790
Telephone and telegraph	273	262
Unclassified	571	1,098
Depreciation of building		
- at amount of mortgage		
principal repayment	7,535	7,152
Mortgage interest	<u>10,173</u>	<u>10,556</u>
	164,531	163,416
Transfer to Reserves	<u>31,923</u>	<u>26,900</u>
	<u>196,454</u>	<u>190,316</u>
EXCESS OF REVENUE OVER EXPENDITURE FOR THE YEAR	<u>-</u>	<u>-</u>
	=====	=====

THE CORPORATION OF THE CITY OF HAMILTON

HAMILTON HOUSING COMPANY LIMITED

(which owns and operates Macassa Park Apartments and
Ada Pritchard Court Apartments for Senior Citizens)

NOTES TO FINANCIAL STATEMENTS

for the year ended December 31, 1985

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Revenue and Expenses -

Revenue and expenses are recorded on the accrual basis.

(b) Fixed Assets and Depreciation -

Fixed assets are recorded at cost.

Depreciation is charged at an amount equal to the mortgage principal reduction. Replacement of equipment and major building repairs are not capitalized but charged to a reserve.

2. MORTGAGE PAYABLE

As per agreement with Canada Mortgage and Housing Corporation, the Hamilton Housing Company Limited is required to make blended mortgage payments due June 1 and December 1 of each year to the maturity date of the mortgage instruments. The principal payments for the next five years are as follows:

	Macassa Park Apartments \$	Ada Pritchard Court Apartments \$
1986	2,177	5,761
1987	2,259	6,105
1988	2,345	6,468
1989	2,433	6,854
1990	2,526	7,263
and thereafter	<u>20,570</u>	<u>114,983</u>
	32,310	147,434
	=====	=====

3. COMPARATIVE FIGURES

Certain comparative figures for 1984 have been restated to conform with financial statement presentation adopted for 1985.

THE CORPORATION OF THE CITY OF HAMILTON

HAMILTON HOUSING COMPANY

(which owns and operates Macassa Park Apartments
and Ada Pritchard Court Apartments, for Senior Citizens)

CONTINUITY OF RESERVES for the year ended December 31, 1985

	Total \$	Reserve for Building Repairs and Improvement \$	Reserve for Operations \$
BALANCE AT DECEMBER 31, 1984	106,890	106,890	-
REVENUE			
Contribution from Revenue Fund	<u>31,923</u>	<u>-</u>	<u>31,923</u>
	138,813	106,890	31,923
EXPENDITURE			
Expenses for Renovations	<u>55,670</u>	<u>55,670</u>	<u>-</u>
BALANCE AT DECEMBER 31, 1985	<u>83,143</u> =====	<u>51,220</u> =====	<u>31,923</u> =====

THE CORPORATION OF THE CITY OF HAMILTON





Spicer MacGillivray

Chartered Accountants

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AUDITORS' REPORT

To the Members of Council,
Inhabitants, and Ratepayers
of The Corporation of the
City of Hamilton

We have examined the balance sheet of the Hamilton Municipal Retirement Fund as at December 31, 1985 and the statement of reserve funds for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Hamilton Municipal Retirement Fund as at December 31, 1985, and the results of its operations for the year then ended in accordance with generally accepted accounting principles, applied on a basis consistent with that of the preceding year.

Hamilton, Ontario
April 25, 1986

SPICER MACGILLIVRAY
Chartered Accountants
Municipal Licence No. 1105

THE CORPORATION OF THE CITY OF HAMILTON

THE HAMILTON MUNICIPAL RETIREMENT FUND

BALANCE SHEET as at December 31, 1985

ASSETS	City of Hamilton Only		Total Fund Including Region
	1985 \$	1984 \$	1984 \$
Cash	<u>119,673</u>	<u>296,651</u>	<u>508,015</u>
Due from City of Hamilton	<u>1,134,873</u>	<u>-</u>	<u>-</u>
Accounts Receivable -	<u>-</u>	<u>46,744</u>	<u>50,166</u>
Investments (Note 3)			
Short Term	<u>6,530,989</u>	<u>7,793,802</u>	<u>15,339,208</u>
Bonds			
Federal Bonds	12,243,400	8,250,343	8,849,988
Provincial	6,018,196	4,245,660	8,644,837
Municipal	16,291,857	17,684,215	33,891,193
Corporation	13,616,611	10,727,267	17,528,943
G.I.C. and Guaranteed Fund	<u>557,820</u>	<u>-</u>	<u>-</u>
	<u>48,727,884</u>	<u>40,907,485</u>	<u>68,914,961</u>
Mortgages	925,999	2,475,020	4,419,601
Leaseback arrangements	1	2	4
Stocks - common	27,696,411	25,353,889	53,721,617
- preferred	<u>532,506</u>	<u>374,253</u>	<u>866,705</u>
	<u>29,154,917</u>	<u>28,203,164</u>	<u>59,007,927</u>
Total Investments	<u>84,413,790</u>	<u>76,904,451</u>	<u>143,262,096</u>
Accrued income on investments	<u>1,073,523</u>	<u>882,439</u>	<u>1,602,054</u>
	<u>86,741,859</u>	<u>78,130,285</u>	<u>145,422,331</u>
	=====	=====	=====

The accompanying notes are an integral part of this financial statement.

THE CORPORATION OF THE CITY OF HAMILTON

THE HAMILTON MUNICIPAL RETIREMENT FUND

BALANCE SHEET

as at December 31, 1985

	City of Hamilton Only		Total Fund Including Region
	1985	1984	1984
	\$	\$	\$
LIABILITIES			
Payable to City of Hamilton	32,907	-	12,915
Fees Payable to National Trust Company	25,948	-	-
Reserves			
For pensions payable pursuant to the terms of a previous plan or fund - employer's and employees' contribution subsequent to January 1, 1957, on behalf of members of a previous plan or fund who have not elected to participate in the "standard" terms	5,197	5,197	12,152
For pensions	<u>86,677,807</u>	<u>78,125,088</u>	<u>145,397,264</u>
	<u>86,741,859</u>	<u>78,130,285</u>	<u>145,422,331</u>
	=====	=====	=====

THE CORPORATION OF THE CITY OF HAMILTON

THE HAMILTON MUNICIPAL RETIREMENT FUND

NOTES TO THE FINANCIAL STATEMENTS

as at December 31, 1985

1. DESCRIPTION OF THE PLAN

The Hamilton Municipal Retirement Fund (H.M.R.F.) was established effective January 1, 1957 under the authority of By-Law No. 7970 of the Corporation of the City of Hamilton.

The accumulated funds in respect of earlier plans were transferred to the H.M.R.F. with the exception of those for the Government Annuities Branch contracts which are restricted in this respect.

The funds remitted prior to January 1, 1957 to the Government Annuities Branch are not reflected on the Balance Sheet of the H.M.R.F. The amounts relating to plan members as at the year end are \$276,696 (1984 - \$282,197).

Past service benefits for \$489,450, debentured in 1953 and remitted to the Government Annuities Branch are also not reflected on these statements. The amounts relating to plan members as at year end are \$51 (1984 \$241).

In accordance with a provision of the Ontario Municipal Employees Retirement System (O.M.E.R.S.) from July 1, 1965, all new employees of the Corporation are included under the System rather than the H.M.R.F. As a consequence, the membership of the Fund has become closed to new entrants and will decrease as existing members terminate.

2. ACCOUNTING POLICIES

(a) Basis of Accounting

The accounts of the fund are maintained on the accrual basis of accounting. Accordingly, dividend and interest income is accounted for as earned rather than when received.

(b) Investments

The investments of the fund are held by the National Trust Company which has discretionary investment authority.

Investments are recorded at cost except for mortgages which are recorded at the principal amount outstanding.

3. MARKET VALUE OF INVESTMENTS

The total of investments recorded on the balance sheet at cost, have a market value of \$92,263,848 as at the end of the year. (The 1984 comparative amounts are \$79,282,668 for the City's portion and \$146,789,058 for the plan as a whole).

THE CORPORATION OF THE CITY OF HAMILTON

THE HAMILTON MUNICIPAL RETIREMENT FUND

NOTES TO THE FINANCIAL STATEMENTS

as at December 31, 1985

4. ACTUARIAL INFORMATION

The statements show only the financial position of the fund and do not purport to show the adequacy of the fund to meet the obligations of the retirement plan. The date of the last actuarial valuation of the plan was December 31, 1984

The plan was in a surplus position of \$2,665,300 as at that date.

5. TRANSFER OF FUND ASSETS

Effective January 1, 1985 the assets of the fund relating to employees of the Regional Municipality of Hamilton-Wentworth were transferred to a separate pension fund under the administration of the Regional Municipality of Hamilton-Wentworth.

6. COMPARATIVE FIGURES

Certain comparative figures for 1984 have been restated to agree with the financial statement presentation adopted for 1985.

THE CORPORATION OF THE CITY OF HAMILTON

THE HAMILTON MUNICIPAL RETIREMENT FUND

RESERVE FOR PENSIONS for the year ended December 31, 1985

	City of Hamilton Only 1985 \$	Total Fund Including Region 1984 \$
Balance at the beginning of the year	<u>145,397,264</u>	<u>137,177,775</u>
REVENUE		
Contributions (gross)		
Employer	970,192	2,652,480
Employee	<u>606,637</u>	<u>1,672,077</u>
	1,576,829	4,324,557
Income from investments	<u>11,183,112</u>	<u>10,591,279</u>
	<u>12,759,941</u>	<u>14,915,836</u>
EXPENDITURE		
Transfer to Hamilton-Wentworth Retirement Fund (Note 5)	67,272,176	-
Pension payments	3,912,648	6,209,869
Contributions refunded, "standard" terms only due to resignations and deaths and overtime contributions	51,488	139,869
Administrative expenses	179,966	211,178
Commutated pensions	<u>63,120</u>	<u>135,431</u>
	<u>71,479,398</u>	<u>6,696,347</u>
Balance at the end of the year	<u>86,677,807</u> =====	<u>145,397,264</u> =====

THE CORPORATION OF THE CITY OF HAMILTON

THE HAMILTON MUNICIPAL RETIREMENT FUND

RESERVE FOR PENSIONS PAYABLE
PURSUANT TO THE TERMS OF A PREVIOUS PLAN OR FUND
principal contributions subsequent to January 1, 1957,
by and on behalf of members
who have not elected to participate in the
"standard" terms of The Hamilton Municipal Retirement Fund
for the year ended December 31, 1985

	1985	1984
	\$	\$
Balance at the beginning of the year	12,152	13,781
EXPENDITURE		
Transfer to Hamilton-Wentworth Retirement Fund (Note 5)	6,955	-
Refund on death	<u>-</u>	<u>1,629</u>
Balance at the end of the year	<u>5,197</u> =====	<u>12,152</u> =====



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AUDITORS' REPORT

To the Members of Council,
Inhabitants, and Ratepayers
of The Corporation of
The City of Hamilton

We have examined the balance sheet of The Hamilton Hydro-Electric System as at December 31, 1985 and the statements of operations and utility equity and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Hydro-Electric System as at December 31, 1985 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles prescribed for Ontario Hydro Electric Commission applied, on a basis consistent with that of the preceding year.

Spicer MacGillivray

SPICER MACGILLIVRAY
Chartered Accountants
Licence No. 1105

Hamilton, Ontario
March 25, 1986

THE CORPORATION OF THE CITY OF HAMILTON

THE HAMILTON HYDRO-ELECTRIC SYSTEM

BALANCE SHEET

as at December 31, 1985

	1985	1984
	\$	\$
ASSETS		
Fixed assets		
Plant and equipment (Note 2)	71,842,370	67,381,868
Construction in progress	16,347	352,744
	<u>71,858,717</u>	<u>67,734,612</u>
Current assets		
Cash (Note 3)	11,853,686	10,862,721
Accounts receivable (Note 4)	15,254,505	14,396,623
Inventories (Note 5)	3,523,011	2,996,539
Other current assets (Note 6)	5,928,750	5,641,066
	<u>36,559,952</u>	<u>33,896,949</u>
Other assets		
Collateral funds	25,500	27,100
	<u>25,500</u>	<u>27,100</u>
Equity in Ontario Hydro	<u>138,907,593</u>	<u>128,870,969</u>
	247,351,762	230,529,630
	=====	=====
LIABILITIES AND EQUITY		
Current liabilities		
Payables and accruals	18,728,644	15,550,539
Deposits	102,725	111,952
Vested sick leave payable within one year	180,000	150,000
	<u>19,011,369</u>	<u>15,812,491</u>
Other liabilities		
Long term deposits	1,096,721	926,532
Collateral funds liability	25,500	27,100
Vested sick leave - long term	707,027	858,770
	<u>1,829,248</u>	<u>1,812,402</u>
Deferred credits		
Contributed capital (Note 7)	591,775	424,616
Utility equity (Note 8)	87,011,777	83,609,152
Equity in Ontario Hydro	<u>138,907,593</u>	<u>128,870,969</u>
	247,351,762	230,529,630
	=====	=====

THE CORPORATION OF THE CITY OF HAMILTON

THE HAMILTON HYDRO-ELECTRIC SYSTEM

STATEMENT OF OPERATIONS AND ACCUMULATED NET INCOME for the year ended December 31, 1985

	1985 \$	1984 \$
Service revenue (Note 9)	222,443,603	209,108,670
Service revenue adjustment (Note 10)	<u>359,000</u>	<u>310,000</u>
	222,802,603	209,418,670
Cost of power	<u>207,723,138</u>	<u>186,763,907</u>
Gross margin on service revenue	15,079,465	22,654,763
Other operating revenue (Note 11)	<u>2,995,974</u>	<u>3,020,636</u>
	<u>18,075,439</u>	<u>25,675,399</u>
Expenses		
Transmission and transformation	1,305,227	1,341,144
Distribution	2,394,996	2,494,457
Line transformers	130,368	229,274
Meters	806,694	1,216,443
Utilization	939,077	984,215
Customer services	165,510	129,431
Collection	3,594,543	3,599,071
Administrative	2,254,449	2,270,998
Interest	-	207,668
Depreciation (less amortization of contributed capital \$15,991; 1984 - \$11,412) (Note 1 c)	<u>3,255,435</u>	<u>3,010,621</u>
	<u>14,846,299</u>	<u>15,483,322</u>
Net income before unusual item	3,229,140	10,192,077
Unusual item (Note 12)	<u>-</u>	<u>2,475,079</u>
	<u>3,229,140</u>	<u>7,716,998</u>
Utility equity, beginning of year	83,609,152	70,846,811
Adjustment of prior year's service	<u>-</u>	<u>4,988,000</u>
Revenue (Note 10)	<u>83,609,152</u>	<u>75,834,811</u>
Contributed capital received in year in respect of street lighting plant still owned by utility (Note 7)	<u>173,485</u>	<u>57,343</u>
Utility equity, end of year	<u>87,011,777</u> =====	<u>83,609,152</u> =====

THE CORPORATION OF THE CITY OF HAMILTON

THE HAMILTON HYDRO-ELECTRIC SYSTEM

STATEMENT OF CHANGES IN FINANCIAL POSITION for the year ended December 31, 1985

	1985	1984
	\$	\$
Working capital derived from Operations:		
Net income	3,229,140	7,716,998
Depreciation	3,408,475	3,138,047
Vested sick leave	41,193	60,390
Deferred charge - pension past service	-	2,595,852
Gain on disposal of fixed assets	(16,800)	(80,088)
	<u>6,662,008</u>	<u>13,431,199</u>
Net proceeds from sale of fixed assets	16,800	210,185
Increase in long term deposits	170,189	103,707
Increase in collateral funds liability	-	2,500
Capital contributions	183,150	131,400
Capital contributions - street lighting	173,485	57,343
Increase in OMERS pension - long term	-	-
Decrease in collateral funds	1,600	-
	<u>7,207,232</u>	<u>13,936,334</u>
Working capital applied to		
Purchase of:		
Land	-	124,304
Building improvements	45,570	253,141
Plant and equipment	982,367	-
Overhead distribution	862,591	605,515
Underground distribution	3,223,213	2,776,599
Transformers	841,483	737,655
Meters	886,971	700,129
Municipal street lighting	336,871	341,470
Office equipment	38,951	39,159
Computer equipment	-	272,900
Stores equipment	-	2,116
Rolling stock	330,718	159,575
Miscellaneous equipment	67,264	19,917
Radio equipment	20,739	10,453
Water heater equipment	248,230	148,998
	<u>7,884,968</u>	<u>6,191,931</u>
Construction in progress	(336,397)	330,764
	<u>7,548,571</u>	<u>6,522,695</u>
Decrease in collateral funds liability	1,600	-
Reduction in OMERS pension - long term	-	2,475,079
Reduction in vested sick leave - long term	192,936	243,126
Increase in collateral funds	-	2,500
	<u>7,743,107</u>	<u>9,243,400</u>
Increase (decrease) in working capital	(535,875)	4,692,934
Working capital, beginning of year	<u>18,084,458</u>	<u>13,391,524</u>
Working capital, end of year	<u>17,548,583</u>	<u>18,084,458</u>
	=====	=====

Working capital is defined as the excess of current assets over current liabilities.

THE CORPORATION OF THE CITY OF HAMILTON

THE HAMILTON HYDRO-ELECTRIC SYSTEM

NOTES TO FINANCIAL STATEMENTS for the year ended December 31, 1985

1. Accounting Policies

- (a) The financial statements have been prepared in accordance with accounting principles for municipal electrical utilities in Ontario as required by Ontario Hydro under the authority of Section 96 of The Power Corporation Act, and reflect the following policies as set forth in the manual "Accounting for Municipal Electrical Utilities in Ontario". All principles employed are in accordance with generally accepted accounting principles.

(b) Revenue recognition

Service revenue is recorded on the basis of regular meter readings and estimates of customer usage since the last meter reading date to the end of the year.

(c) Depreciation

Plant depreciation is provided in accordance with the recommendations of Ontario Hydro. Capital assets in service at December 31, 1979 are being depreciated on a straight-line basis over their expected remaining useful life. Acquisitions from January 1, 1980 (except for street lighting) are depreciated on a straight-line basis, generally using the following rates:

Buildings - brick	60 years
- other	30 years
Substation equipment	35 years
Overhead distribution	25 years
Underground distribution	40 years
Transformers	30 years
Meters	35 years
Office equipment	10 years
Computer equipment	5 years
Rolling stock - automobiles	4 years
- trucks under 3 tons	5 years
- trucks over 3 tons	8 years
Miscellaneous equipment	10 years
Radio equipment	10 years
Water heater equipment	8 years
Store department equipment	10 years

Depreciation of street lighting is determined by the sinking fund method using 2% annual provision and 5-1/2% interest improvement.

THE CORPORATION OF THE CITY OF HAMILTON

THE HAMILTON HYDRO-ELECTRIC SYSTEM

NOTES TO FINANCIAL STATEMENTS for the year ended December 31, 1985

2. Plant and equipment

	1985		1984	
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
	\$	\$	\$	\$
Plant				
Land	888,160	-	888,160	888,160
Buildings	9,996,791	2,651,150	7,345,641	7,579,583
Substation equipment	6,946,816	2,143,079	4,803,737	4,038,716
Overhead distribution	12,820,699	6,086,862	6,733,837	6,451,678
Underground distribu- tion	41,212,305	8,920,679	32,291,626	30,181,722
Transformers	10,798,233	3,823,817	6,974,416	6,531,015
Meters	7,124,769	1,959,266	5,165,503	4,496,364
	<u>89,787,773</u>	<u>25,584,853</u>	<u>64,202,920</u>	<u>60,167,238</u>
Street lighting	7,405,742	1,652,466	5,753,276	5,642,834
Office equipment	417,430	252,680	164,750	153,742
Computer equipment	383,473	204,822	178,651	240,790
Rolling stock	1,751,530	1,017,142	734,388	551,451
Miscellaneous	316,123	147,437	168,686	129,786
Radio equipment	119,014	69,426	49,588	37,297
Water heater equipment	892,717	334,105	558,612	421,972
Store department equipment	<u>74,250</u>	<u>42,751</u>	<u>31,499</u>	<u>36,758</u>
	<u>101,148,052</u>	<u>29,305,682</u>	<u>71,842,370</u>	<u>67,381,868</u>
	=====	=====	=====	=====

3. Cash

	1985	1984
	\$	\$
Petty cash and change funds	8,230	8,130
Cash in transit and on deposit at		
The Canadian Imperial Bank of Commerce	645,456	604,591
Time deposit		
The Canadian Imperial Bank of Commerce	<u>11,200,000</u>	<u>10,250,000</u>
	<u>11,853,686</u>	<u>10,862,721</u>
	=====	=====

THE CORPORATION OF THE CITY OF HAMILTON

THE HAMILTON HYDRO-ELECTRIC SYSTEM

NOTES TO FINANCIAL STATEMENTS for the year ended December 31, 1985

4. Accounts receivable	1985	1984
	\$	\$
Electrical energy	15,003,079	14,182,131
Miscellaneous	<u>274,176</u>	<u>236,292</u>
	15,277,255	14,418,423
Allowance for doubtful accounts	<u>22,750</u>	<u>21,800</u>
	15,254,505	14,396,623
	=====	=====
5. Inventories, at average cost	1985	1984
	\$	\$
Materials	3,414,017	2,912,169
Reels	99,400	64,808
Fuel	-	4,627
Postage	<u>9,594</u>	<u>14,935</u>
	3,523,011	2,996,539
	=====	=====
6. Other current assets	1985	1984
	\$	\$
Unbilled revenue	5,657,000	5,298,000
Prepaid insurance	2,450	2,738
Interest accrued on time deposit	58,063	74,877
Work chargeable in progress	194,237	248,451
Deposit with The Workers' Compensation Board	<u>17,000</u>	<u>17,000</u>
	5,928,750	5,641,066
	=====	=====

THE CORPORATION OF THE CITY OF HAMILTON

THE HAMILTON HYDRO-ELECTRIC SYSTEM

NOTES TO FINANCIAL STATEMENTS for the year ended December 31, 1985

7. Contributed capital

In certain cases, non refundable required contributions are received in aid of construction or the acquisition of fixed assets. Amortization of these contributions is calculated at the same rate as for the fixed assets to which they relate.

	1985 \$	1984 \$
Contributed capital subject to amortization after January 1, 1980	639,638	456,488
Less: Amortization to date at 2.50% per annum	<u>47,863</u>	<u>31,872</u>
	<u>591,775</u>	<u>424,616</u>
	=====	=====

8. Capital contributed in respect to streetlights

If and when the ownership of streetlight facilities is transferred to the municipal corporation, accumulated contribution in respect to streetlight plant shall be transferred with the plant.

As at December 31, 1985, the amount of capital contributed in respect of streetlight facilities amounted to \$394,215 (1984 - \$220,730) and is included in utility equity.

9. Service revenue

	1985 \$	1984 \$
Domestic	44,576,423	42,208,293
Commercial	33,334,903	31,798,702
Industrial	143,357,319	133,951,099
Street lighting	<u>1,174,958</u>	<u>1,150,576</u>
	<u>222,443,603</u>	<u>209,108,670</u>
	=====	=====

THE CORPORATION OF THE CITY OF HAMILTON

THE HAMILTON HYDRO-ELECTRIC SYSTEM

NOTES TO FINANCIAL STATEMENTS for the year ended December 31, 1985

10. Service Revenue Adjustment

	1985	1984
	\$	\$
Unbilled revenue, beginning of year	5,298,000	4,988,000
Unbilled revenue, end of year	<u>5,657,000</u>	<u>5,298,000</u>
Service revenue adjustment	359,000	310,000
	=====	=====

The 1984 comparative figures have been restated to reflect the above change in accounting policy.

11. Other operating revenue

	1985	1984
	\$	\$
Street lighting - capital recovery	682,080	658,214
Water heater rentals	419,987	422,988
Transformer rentals	5,044	1,832
Penalty charges	541,165	516,547
Cash discounts earned	24,634	16,666
Pole, duct and cable rentals	146,566	147,084
Profit on sale of material and/or services	35,397	21,759
Interest earned	976,462	1,056,875
Commission - Provincial sales tax	255	152
Reconnection charges	9,354	8,562
Gain on disposal of fixed assets	16,800	80,088
Collection charges	8,563	7,506
C.O.S.P. rebates	3,914	4,810
Sale of scrap material	75,288	66,200
Miscellaneous	<u>50,465</u>	<u>11,353</u>
	2,995,974	3,020,636
	=====	=====

THE CORPORATION OF THE CITY OF HAMILTON

THE HAMILTON HYDRO-ELECTRIC SYSTEM

NOTES TO FINANCIAL STATEMENTS for the year ended December 31, 1985

12. Unusual item

The deferred charge - pension past service was fully expensed in 1984 due to the repayment of the OMERS past service liability during the year.

13. Statistics

	1985	1984
Kilowatt hours sold	5,673,492,536	5,596,268,567
Average kilowatt demand purchased	833,689.0	810,985.1
Annual effective rate per kilowatt		
demand after thirteenth power account	\$249.16	\$230.29
Rate per thousand kilowatt hours	\$18.00	\$15.40
Thirteenth power account receivable		
(payable)	\$(350,253)	\$806,113
Excess of revenue over expenditure	\$3,229,140	\$7,716,998
Customers	119,520	118,570

THE CORPORATION OF THE CITY OF HAMILTON

THE HAMILTON HYDRO-ELECTRIC SYSTEM

OPERATING EXPENSES for the year ended December 31, 1985

	1985 \$	1984 \$
Transmission and transformation		
Operation		
Substation labour	938,673	954,030
Substation supplies and expenses	214,916	207,484
	<u>1,153,589</u>	<u>1,161,514</u>
Maintenance		
Substation equipment	121,338	84,447
Substation building	19,246	73,730
Rental of equipment	11,054	11,054
Radio communication equipment	-	10,399
	<u>151,638</u>	<u>179,630</u>
	<u>1,305,227</u>	<u>1,341,144</u>
Distribution system		
Operation		
Overhead labour	548,728	539,177
Underground labour	305,377	328,912
Overhead supplies and expenses	152,770	134,918
Underground supplies and expenses	152,837	137,669
Rental of pole lines	38,375	38,333
Rental of duct and cables	3,980	3,918
	<u>1,202,067</u>	<u>1,182,927</u>
Maintenance		
Overhead distribution	767,366	769,646
Underground distribution	285,371	295,652
Overhead service	136,748	244,605
Underground service	3,444	6,886
	<u>1,192,929</u>	<u>1,316,789</u>
	<u>2,394,996</u>	<u>2,499,716</u>
Line transformers		
Labour	21,300	24,071
Supplies and expenses	5,003	3,730
Maintenance	104,065	201,473
	<u>130,368</u>	<u>229,274</u>
Meters		
Labour	592,864	602,622
Supplies and expenses	57,227	67,698
Maintenance	143,907	516,022
Meter building maintenance	12,696	30,101
	<u>806,694</u>	<u>1,216,443</u>

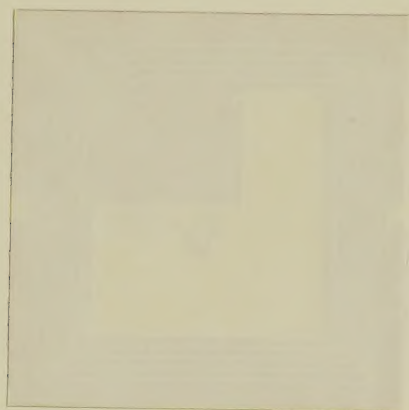
THE CORPORATION OF THE CITY OF HAMILTON

THE HAMILTON HYDRO-ELECTRIC SYSTEM

OPERATING EXPENSES - (Continued)
for the year ended December 31, 1985

	1985 \$	1984 \$
Utilization		
Consumers' premises expense	726,954	695,076
Water heater expense	212,123	289,139
	<u>939,077</u>	<u>984,215</u>
Customer services		
Salaries	156,224	126,260
Supplies and expenses	9,286	3,171
	<u>165,510</u>	<u>129,431</u>
Collection expenses		
Bad debt expense	119,456	108,643
Meter reading, billing, etc.	2,960,208	2,958,886
Supplies and expenses	514,879	531,542
	<u>3,594,543</u>	<u>3,599,071</u>
Administrative expenses		
Vested sick leave	41,193	60,390
Pensioners benefits	286,091	255,056
Salaries - general officers	422,149	412,824
Salaries - general office clerks	844,665	842,520
Office supplies and expenses	139,075	116,912
Office building - maintenance	60,123	98,020
Office building - fuel	22	33,385
Office building - janitors' supplies and expenses	291,600	295,753
Office building - taxes and water rates	108,545	101,698
Maintenance of telephone	611	586
Miscellaneous	41,440	37,613
Maintenance of office equipment	4,628	5,406
Legal	14,307	10,835
	<u>2,254,449</u>	<u>2,270,998</u>
Interest	<u>-</u>	<u>207,668</u>
	<u>11,590,864</u>	<u>12,477,960</u>
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